Photo courtesy of Gordon Taylor/Tourism Saskatoon

City of Saskatoon

2011 Annual Report

Saskatoon, Saskatchewan, Canada
Year Ended December 31, 2011

Vision

Our vision for Saskatoon, building on our history, includes an enhanced quality of life; a vibrant economy; responsible, progressive environmental management; continued river valley stewardship; recognizing the diversity of neighbourhoods while promoting a united community; planned growth; and regional and global opportunities.

Mission

Our corporation, the City of Saskatoon, exists to provide excellent local government through leadership, teamwork, partnership, and dedication to the community. We will facilitate effective and efficient delivery of public services and nurture the economic, environmental, social, and cultural well-being of the community, now and in the future.

Values

In order to achieve our vision, we commit ourselves to quality service, fiscal responsibility, high performance, respect for others, providing open and accountable government, a supportive work environment, and a cooperative spirit.

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City of Saskatoon

City of Saskatoon 2011 Annual Report
Year Ended December 31, 2011
Saskatoon, Saskatchewan, Canada

Prepared and produced by City of Saskatoon
Finance Branch and Communications Branch

Financial Statements presented to City Council August 15, 2012
Annual Report presented to City Council August 15, 2012

LETTER OF TRANSMITTAL

City of Saskatoon

August 15, 2012

His Worship the Mayor
and Members of City Council

I am pleased to submit the City of Saskatoon's Annual Financial Report for the year ended December 31, 2011. The Annual Financial Report is submitted pursuant to Section 155 of The Cities Act. The financial report includes consolidated financial statements for the City of Saskatoon reporting entity as required by the Public Sector Accounting Standards Board (PSAB).

The purpose of this report is to provide financial, statistical and other information about the City of Saskatoon and related entities to allow readers to gain an understanding of the City and the resources available to the City.

The Annual Financial Report consists of the following sections:

- The introduction familiarizes readers with the political and organizational structure of the City, reviews the City's accomplishments over the past year, and describes the nature and scope of the services provided by the City.
- The Financial Section includes the Consolidated Financial Statements.
- The Financial Statement Discussion and the Statistical Section provides additional explanation and trend analysis to provide a broader understanding of the financial statements.

The preparation and presentation of the financial statements and related information contained in this report is the responsibility of management of the City of Saskatoon. The statements have been prepared on a basis consistent with the recommendations of PSAB. Included in the consolidated financial statements are those entities that are accountable to and owned or controlled by the City of Saskatoon. These entities include: the Saskatoon Public Library, Saskatoon Police Service, Saskatchewan Place Inc (operating as Credit Union Centre), Saskatoon Centennial Auditorium (operating as TCU Place), and the Mendel Art Gallery. City Council appointed the accounting firm of Deloitte & Touche, LLP to perform an independent audit of the City's 2011 financial statements, and the report is included herein. The accuracy and reliability of the financial information is ensured by the City's system of internal controls. The Audit Committee reviews the external auditor's plan, and ensures corrective action is taken for weaknesses identified in the City's internal control system. An internal audit function through the services of Nicole Garman and Ian Weimer also report to the Audit Committee ensuring internal controls and procedures are in place and adhered to through a series of internal audits and reviews.

As noted, the consolidated financial statements include information on the City's financial position and operating results, along with those of several related entities. The City's operations are typically segmented (General Operating, General Capital, Utility Operating and Capital) for budgeting and reporting purposes. For the purpose of the

City of Saskatoon

consolidated financial statements, the financial position and results of all the segments are brought together.

The attached financial statements reveal that the City ended the year with an operational surplus of $3,073,000. The City's 2011 capital program included planned expenditures of $351,033,000. These expenditures were financed from reserves, development levies, contributions from developers, Federal and Provincial grants, gas tax revenues from the Federal Government and borrowing.

The City continues to receive positive reviews from Standard and Poor's (S&P) which reconfirmed the City's AAA rating.

Respectfully submitted,

Marlys Bilanski, CMA, FCMA

General Manager, Corporate Services

MESSAGE FROM THE MAYOR

Mayor Donald Atchison

As one of Canada's fastest growing cities, with a strong economy and admired quality of life, the City of Saskatoon has never before in our more than 100-year history been in such an excellent position to flourish and thrive. And the Conference Board of Canada predicts Saskatoon will continue on this progressive path into 2012.

Vitality, stability and security are Saskatoon's hallmarks - this is a place where quality of life is a vision, value and daily reality. As Saskatoon grows, we strive to maintain a vibrant economy, balanced with the responsibility to progressively manage our environment and plan for growth in ways that unite, include and serve all our citizens and all our neighbourhoods.

This vision, where social well-being, culture, health, safety and the natural environment are clear priorities, guides us in our work, and keeps us on course ensuring our long-term focus is aligned with the sensible daily delivery of choice programs and services.

As a city, we enjoy exceptional partnerships with federal and provincial governments. Without their support, projects like the Circle Drive South Project and the new Preston overpass would simply not be possible. Many projects designed to build Saskatoon and prepare for a bright future are also underway and I welcome you to read about them in this report.

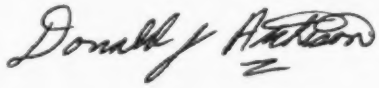
As with all cities across Canada and North America, we face infrastructure challenges and we are dealing aggressively with those issues. We continue to devote substantial funding and focus to complete upgrades and expansions to roads, bridges, sewer, water, transportation and parks across Saskatoon.

Our financial management strategies are recognized by outside experts as solid, successful and appropriate to a growing city. Saskatoon's financial position remains very strong, and we continued to maintain our Triple "A" credit rating with Standard & Poor's again in 2011.

The results of our Community Visioning exercise, Saskatoon Speaks, were used as the basis of our new long-term strategic plan guiding our planning and development into the next decade and beyond.

Saskatoon's strategic plan will help us achieve the right balance of municipal services, provide sport, recreational and cultural opportunities to support population growth, and balance the needs of our citizens, so that we all benefit.

Thank you for helping to build Saskatoon into the productive, progressive and energetic city we are today. As responsible citizens, we all play a critical role in ensuring Saskatoon continues to be the best place to live in Canada in 2012 and beyond!



Donald J. Atchison, Mayor

CITY COUNCIL 2009-2012

The City of Saskatoon is governed by an act of legislation of the Province of Saskatchewan known as *The Cities Act*. The Mayor is the Chief Executive Officer of the City.

Administrative powers and duties have been delegated to the City Manager who is appointed by City Council. The Council consists of the Mayor and ten Councillors, elected for a period of three years. Each Councillor represents a specific ward or area of the city.

City of Saskatoon

Mayor Donald Atchison

Councillor Darren Hill
Ward 1

Councillor Pat Lorje
Ward 2

Councillor Maurice Neault
Ward 3
Passed Away July 13, 2011

Councillor Ann Iwanchuk
Ward 3
Elected October 19, 2011

Councillor Myles Heidt
Ward 4

Councillor Randy Donauer
Ward 5

Councillor Charlie Clark
Ward 6

Councillor Mairin Loewen
Ward 7
Elected February 9, 2011

Councillor Glen Penner
Ward 8

Councillor Tiffany Paulsen
Ward 9

Councillor Bev Dubois
Ward 10

MESSAGE FROM THE CITY MANAGER

Murray Totland
City Manager

On behalf of the Administration, I am pleased to present the City of Saskatoon's 2011 Annual Report. The Annual Report provides citizens with information on our City's performance and successes this year and includes consolidated financial statements for the City of Saskatoon. The highlights included in this report are presented as they relate to each of the nine business lines identified in the City of Saskatoon's 2011 Corporate Business Plan.

Using the City of Saskatoon's new budget and corporate planning process developed in 2010, we prepared a new long-term strategic plan that will more strategically deliver programs and services in an era of increasing population and geographical growth. The plan sets out principles that will guide us as we continue to grow and thrive, and creates a framework by which to ensure the economic prosperity we are experiencing results in positive opportunities for all residents, and a high quality of life, while preserving and protecting the long-term health of our natural environment.

In the midst of rapid growth, we are taking a proactive and innovative approach to managing our city, so that we can continue to remain vibrant, strong and progressive. We have begun investing in many large capital projects to maintain our competitiveness and attractiveness and help Saskatoon remain a vibrant, safe city with an excellent quality of life. In that regard, we are on target with the design and construction of new headquarters for the Saskatoon Police Service and the purchasing of land for a new fire station in the Stonebridge neighbourhood.

Like all growing cities, one of the major challenges facing the City is maintaining our existing infrastructure like roads, back lanes and bridges, while at the same time, building new infrastructure to accommodate our growing community.

In 2011, base funding for infrastructure maintenance and bridge repair increased. As we move into 2012, we will continue to invest in maintaining our infrastructure as reflected in the budget put forward in December, where a significant increase in funding for the maintenance of infrastructure was requested.

Opportunities to participate in and enjoy the benefits of sport, recreation, culture, and park activities also contribute to a high quality of life. We're investing in that quality of life by making upgrades to existing parks and recreational facilities and developing new areas which citizens can enjoy.

We are working to move people, services and goods more efficiently, while minimizing environmental impact and promoting sustainability, and we're on target with the construction of the new South Bridge and other major roadway projects.

Our plan for affordable housing is being implemented, the target of which is 500 units per year distributed city-wide. To meet the increasing demand for housing and industrial land due to high population growth, the City is ensuring an adequate supply of land for new residential and business use. We're also finding innovative ways to preserve and protect our environment, and provide cost-effective and high-quality utilities including storm water management.

The Saskatoon economy continues to be one of the strongest in Canada and people continue to move to our city. In 2011 our population grew by 9,900 people for a total population of 234,200.

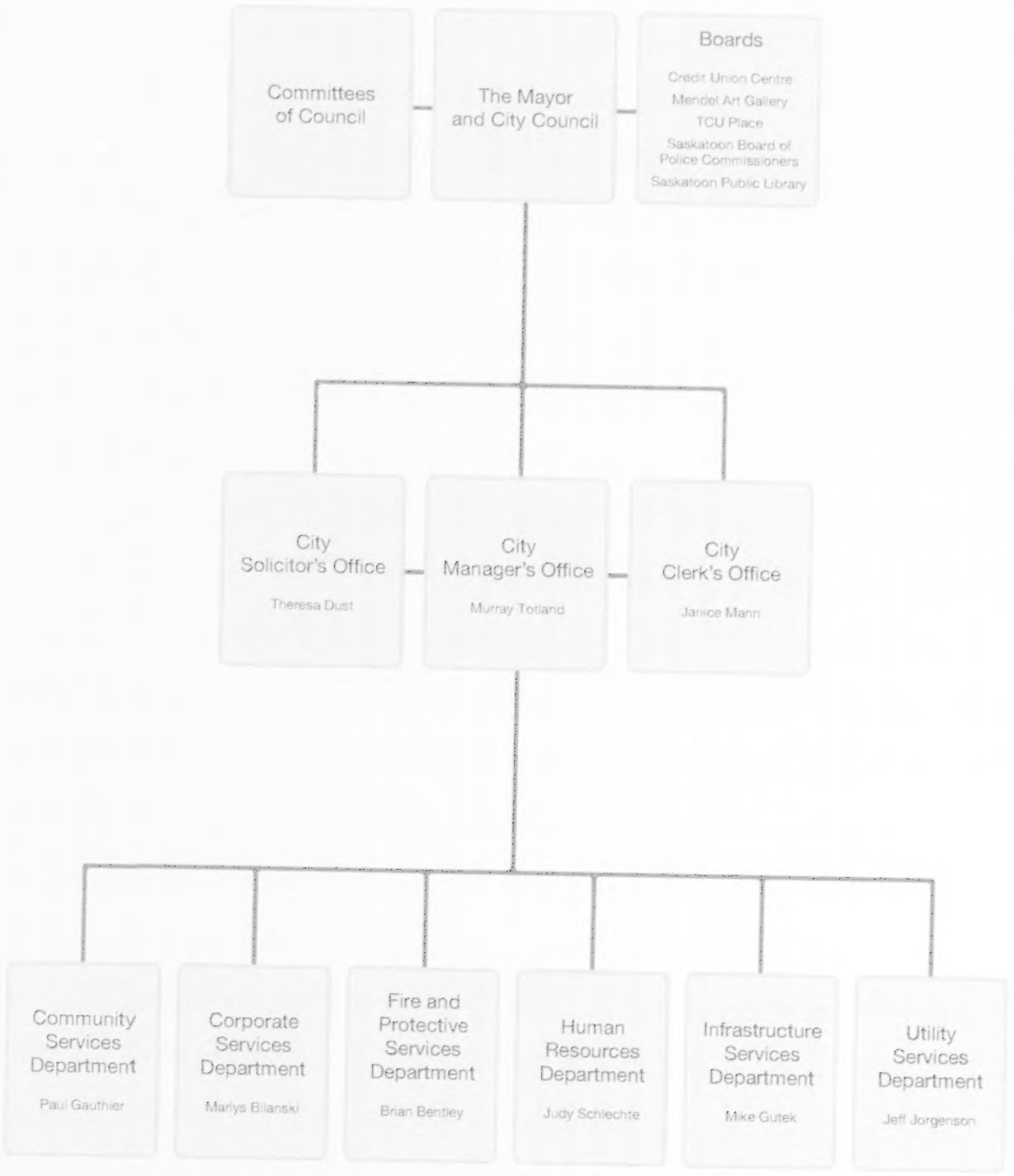
With the support of our federal and provincial partners, our 2011 Capital Budget included increased investments in infrastructure in the amount of $351,033,000, aimed at improving our mobility, protecting our environment, and enhancing the quality of life for our citizens.

The financial position of the City of Saskatoon continues to be strong, ending the year with an operational surplus of $3,073,000. We also continue to maintain our triple "A" credit rating, the highest rating issued by Standard & Poor's. This rating is based on the City's strong cash and liquidity levels, well-performing economy, and strong operating performance.

Looking back on 2011, I can say without a doubt that I feel pride in the progress we have made as a City, and I am honoured to serve as your City Manager.

Murray Totland , P.Eng., MBA, City Manager

2011 CITY OF SASKATOON ORGANIZATIONAL CHART



WHAT ARE OTHERS SAYING ABOUT SASKATOON?

In recent years, Saskatoon received numerous positive accolades from business groups, consulting firms, public policy institutes, and other similar types of organizations. The following provides an overview of what these organizations said:

First in Population Growth

For the second consecutive year, Saskatoon ranked first in adult population growth in RBC's annual Canadian City Trends, published in February 2012. The City also ranked first in MLS housing sales and fourth in non-residential building permits.

First in Business Friendliness

In the Canadian Federation of Independent Business (CFIB) annual Communities in Boom survey, Saskatoon was ranked Canada's number one most business-friendly city. This is the third consecutive top three ranking out of 100 Canadian cities, and it demonstrates Saskatoon's growing recognition as an "entrepreneurial hot spot".

Third Most Entrepreneurial City in Canada

Overall, Saskatoon ranked as Canada's third most entrepreneurial city in the annual CFIB Communities in Boom survey.

"We're pleased the CFIB has once again singled out Saskatoon as a place where entrepreneurs will find a positive atmosphere to set up shop." - Mayor Donald Atchison

Broadway Avenue Rated Canada's Third Greatest Street

Broadway Avenue was rated the third greatest street in the country in the Canadian Institute of Planners first-ever Great Places in Canada Contest.

Environmental Sustainability Efforts Recognized

Saskatoon tied with Victoria for fourth place on the World Wildlife Fund's first-ever 2011 Earth Hour List of Canadian cities. And in the annual Corporate Knights ranking of Canada's Most Sustainable Cities, Saskatoon placed second in the small city category. Two magazines, *Business Review Canada* and *Energy Digital Magazine*, published articles on the City's efforts to enhance energy efficiency and environmental sustainability.

Award of Merit for Saskatchewan Rental Housing Supplement Program

In August 2011, Saskatoon Fire and Protective Services (SFPS) received a Fire Service Award for Excellence from the International Association of Fire Chiefs. This Award of Merit was presented in recognition of the Saskatchewan Rental Housing Supplement Program, introduced in 2005, for special contribution to the advancement of fire protection.

This Program enables SFPS, in partnership with the Provincial Government, to significantly improve the quality of rental property in Saskatoon and decrease the number of house fires in targeted neighbourhoods by 43%. Rental income supplements are given to Social Assistance recipients after their rental property passes an inspection ensuring that it meets minimum fire and life safety standards.

City Projects Win Prestigious Design Awards

A number of municipal projects have won provincial and national design awards:

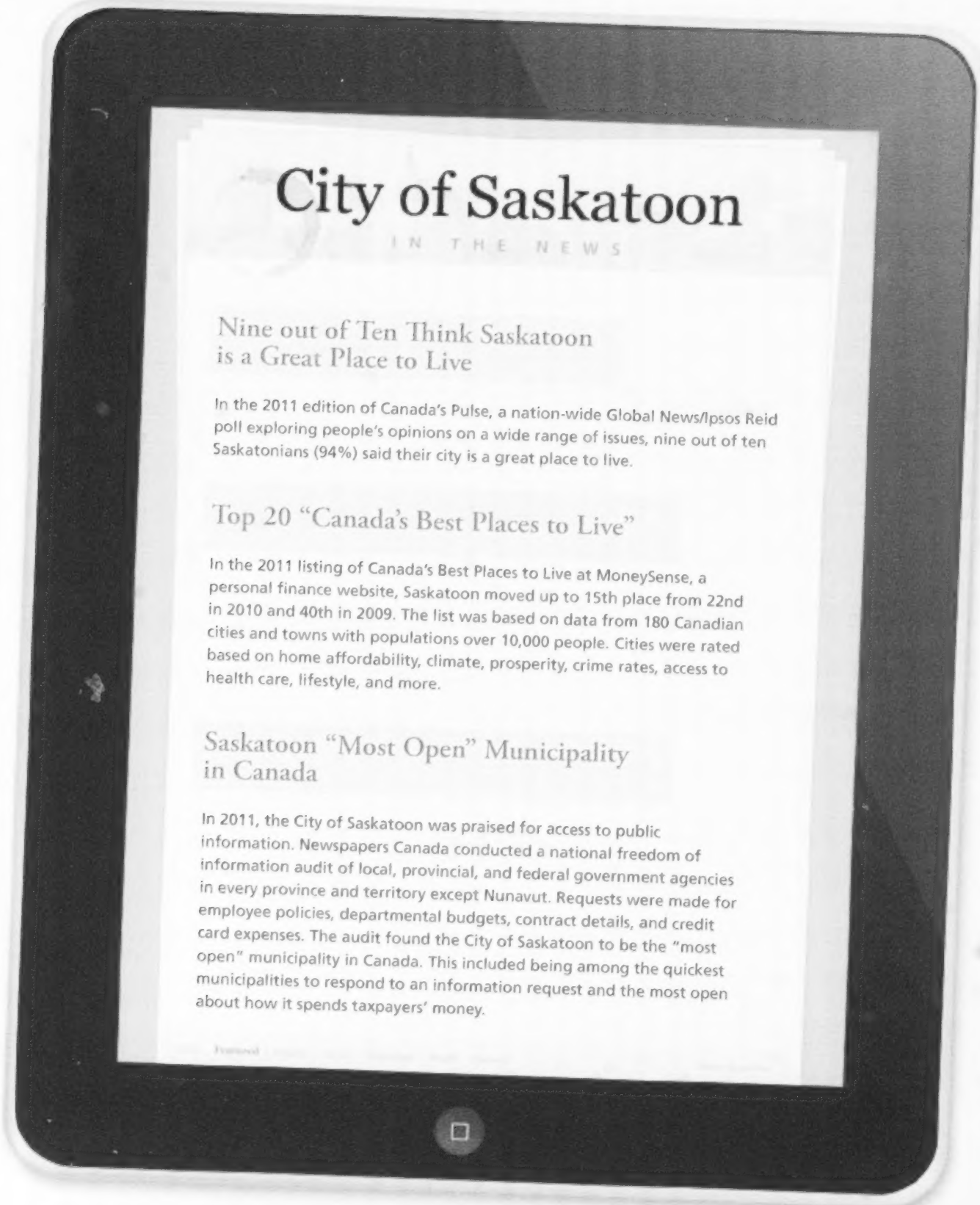
> The design for the new Remai Art Gallery of Saskatchewan won a prestigious 2011 Canadian Architect Award of Excellence. The striking design overlooking the South Saskatchewan River is a collaboration between Kuwabara Payne McKenna Blumberg Architects and Smith Carter Architects and Engineers.

> The River Landing project won two Design Council of Saskatchewan awards. Crosby Hanna & Associates received the Premier's Award of Excellence in Landscape Architecture for River Landing Riverfront - Phase 1, while Stantec Consulting received the Premier's Award of Excellence in the Collaborative category for the River Landing Pedestrian Linkage. The City of Saskatoon has worked with both consultants over the past seven years.

> The City's Public Space, Activity and Urban Form Strategic Framework: Phase One of the City Centre Plan won the Design Council of Saskatchewan's Premier's Award of Excellence in the Community Planning category. The project is a collaboration between the City of Saskatoon, U of S Regional and Urban Planning Department and Sweeny, Stirling, Finlayson and Co. Architects.

> The Storm Sewer Rehabilitation project at Preston Avenue and Taylor Street was named 2011 Northwest Trenchless Project of the Year by the North American Society of Trenchless Technology, Northwest Chapter, in Calgary.

> The City Land Branch received the 20th Annual Bridges Award for the best TV commercial for the Evergreen Neighbouthood.



City of Saskatoon

IN THE NEWS

Nine out of Ten Think Saskatoon is a Great Place to Live

In the 2011 edition of Canada's Pulse, a nation-wide Global News/Ipsos Reid poll exploring people's opinions on a wide range of issues, nine out of ten Saskatonians (94%) said their city is a great place to live.

Top 20 "Canada's Best Places to Live"

In the 2011 listing of Canada's Best Places to Live at MoneySense, a personal finance website, Saskatoon moved up to 15th place from 22nd in 2010 and 40th in 2009. The list was based on data from 180 Canadian cities and towns with populations over 10,000 people. Cities were rated based on home affordability, climate, prosperity, crime rates, access to health care, lifestyle, and more.

Saskatoon "Most Open" Municipality in Canada

In 2011, the City of Saskatoon was praised for access to public information. Newspapers Canada conducted a national freedom of information audit of local, provincial, and federal government agencies in every province and territory except Nunavut. Requests were made for employee policies, departmental budgets, contract details, and credit card expenses. The audit found the City of Saskatoon to be the "most open" municipality in Canada. This included being among the quickest municipalities to respond to an information request and the most open about how it spends taxpayers' money.

COMMUNITY SUPPORT

Provides support and community investments to help build capacity in sport, recreation, culture, heritage, and social organizations, and enhances neighbourhood-based associations and organizations.

Saskatoon consistently ranks among the top cities in North America for quality of life. The City of Saskatoon defines quality of life as the sense of well-being achieved when people are physically and emotionally healthy, economically secure, safe, have adequate shelter, a sense of belonging, and share cultural and social connections.

Achieving quality of life for the residents of Saskatoon requires the combined commitment of individuals, families, community organizations, service providers, and City of Saskatoon staff. The Community Support business line provides both human and financial supports for community groups, as well as a broad range of City-led initiatives. These initiatives are aimed at building capacity in sport, recreation, culture, heritage, and social organizations and enhancing neighbourhood-based associations. The Community Support business line also provides subsidized or no cost programs where cost is a barrier for families and individuals.

Community support often take the form of investments in community-based organizations. This approach ensures a balance between municipal leadership and community involvement in the development and revitalization of facilities, programs and services, and the protection of Saskatoon's heritage buildings and structures. Partnerships and community collaboration continue to be key to the success of this service delivery approach.

Major Initiatives - 2011-2013	Work Completed To Date	Status
Design of intercultural initiatives to facilitate civic participation of diverse groups, with focus on building leadership skills to empower Aboriginal, newcomer, and Canadian-born youth.	The multiculturalism grant application to the Federal Government was not successful; the project has been deferred pending another grant opportunity.	**Deferred**

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Deliver intercultural awareness training sessions for civic staff.	The pilot project was completed early in 2011. The intent is to establish an ongoing training program. The City is currently exploring partnership opportunities with organizations that have successful models of intercultural awareness training.	**Complete**
Organize community workshops on i) multiculturalism and (ii) building bridges with Aboriginal and immigrant communities.	Through community workshops, City staff have: > shared information about immigration and the City services with the Foreign Credentials Referral Office, Centre for Co-operative Studies, Alliance of Sector Councils, and Canada Mortgage and Housing Corporation. > reviewed and commented on resources being developed for newcomers, such as Entrepreneurship as a Career Option Toolkit and Saskatoon Regional Economic Development Authority's Living Saskatoon Website. > presented to U of S Urban Education Class and four other community groups on services offered by the City. > completed overview (with the Office of the Treaty Commissioner) as part of development of education modules on Aboriginal people and Treaties titled "Building New Relationships Between Newcomers and First Nations". This toolkit will help settlement workers and language instructors incorporate First Nations history and culture in some of the language training classes.	**Complete**
Development of volunteer recruitment campaign for community organizations to ensure broad representation from community.	In addition to hosting a booth at the Open Door's Society Volunteer Fair, the City developed and implemented a marketing campaign to recruit new, diverse volunteers for community associations.	**Complete**
Creation of mentorship opportunities for Aboriginals and newcomers joining community associations.	Following a successful mentorship, two newcomers are participating in community associations - one as an instructor in Sutherland, the other as a treasurer in Greystone. An ongoing process has been established to match suitable instructors with community members.	**Complete**

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Conduct accessibility review of civic facilities.	A review of the accessibility requirements (to 2005 National Building Code requirements) of the following facilities is now complete: Saskatoon Field House, City Hall, Lakewood Civic Centre/Cliff Wright Library, Lawson Civic Centre/Rusty Macdonald Library, Cosmo Civic Centre/Carlyle King Library, and Harry Bailey Aquatic Centre.	Complete
Development of self-assessment tool for community organizations to ensure accountability in use of grant funds and enhance organizational effectiveness.	The first phase of a pilot assessment with two community-based organizations was completed and, based on feedback and evaluation, the assessment tool and process was refined. Phase 2 of the pilot assessment was completed with two more community-based organizations. The City is now in the initial stages of evaluating the program.	Complete
Preparation of civic participation and leadership "toolkits" through youth action network and Urban Aboriginal Leadership initiatives.	Activities in 2011 included hosting the Youth Leadership Summit, launching the youth network (Unified Minds), and holding the first of four youth-led events. The City awarded a contract to Youth Launch with respect to youth training modules and capacity development for the Unified Minds youth network. Youth Launch hired two coordinators, who have gathered feedback from young people to establish community sector partnership agreements with youth serving agencies. The coordinators are establishing a database of participants.	On Target
Review of Heritage Policy to ensure City's role in supporting inventory of heritage buildings is being fully realized.	A consultant was hired to gather information on related policies and synthesize input received to date. Stakeholder consultations were held in November. The consultant continues to conduct interviews and plans to attend Municipal Heritage Advisory Committee in early 2012. The final report is expected in summer 2012.	On Target
Establishment of Cemetery Assurance Fund to protect ongoing operations of cemetery.	The first of three funding phases (over three years) was completed in 2011, with the second phase scheduled for 2012.	On Target

ENVIRONMENTAL HEALTH

Preserves and protects the long-term health of our urban environment.

A healthy environment is essential to a healthy population, now and in the future. In order to create an environmentally sustainable community, a number of City programs, services, and activities have been brought together in the Environmental Health business line. Grouping these activities enables the City to more effectively preserve and protect the long-term health of Saskatoon's urban environment.

Saskatoon's environmental program forms the core of this business line. It seeks to protect and improve the environment by reducing the impact of our activities within our community and region on air, water, and land for citizens today and tomorrow. Guided by plans such as the Energy and Greenhouse Gas Management Plan, the Saskatoon Waste and Recycling Plan, and Permits to Operate for environmental facilities, a wide range of activities are initiated within this business line. Examples include: collection and management of solid waste; implementation of environmental projects and programs related to energy efficiency; waste minimization and diversion; hazardous waste; responsible management or remediation of contaminated City-owned sites; water chemistry; and environmental policy development. Management of Saskatoon's urban forest, which numbers well over 90,000 trees, is also a critical element of this business line.

The City is expected to be a leader in environmental stewardship. The Environmental Services Branch supports and facilitates the implementation of environmentally friendly and sustainable practices for improved environmental performance both by the corporation and the community at large.

Major Initiatives - 2011-2013	Work Completed To Date	Status
Preparation of report card on greenhouse gas emission reductions and initiatives.	The overview of 2010 and 2011 initiatives was completed; quantification and collection of inventory of emissions is ongoing. A business plan to identify funding and initiatives to bridge the gap between inventory and targets for emission reductions is nearing completion. Community targets may not be achieved without a proactive partnership to implement programming and monitoring. Corporate targets may not be achieved without additional investment.	**On Target**

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Completion of master plan for Saskatoon Landfill to extend its active life and increase level of service.	The Landfill Optimization Report (master plan) was completed and approved by City Council. As a result, daily cover practices and size of active face have been improved, equipment upgrades and staff training are progressing, traffic flow and storm water management plans are in progress, and detailed design of landfill expansion through construction of new cell is underway.	On Target
Design and construction of new facility to divert residential construction and demolition waste from Saskatoon Landfill for re-use in other construction projects.	A detailed "Recovery Park Development Strategy" report was prepared. The City consulted with similar facilities in other cities to determine size requirements and suitable materials for acceptance.	On Target
Conversion to individual garbage containers to enhance cost effectiveness and efficiency of waste stream management while also reducing residential waste stream.	Conversion to individual residential garbage containers is complete.	Complete
Expansion of recycling under Waste and Recycling Plan to enhance cost effectiveness and efficiency in diversion of recyclable materials from waste stream.	Program options, preliminary costing, and public consultation were completed. The closing date for recycling RFPs is February 23, 2012. Residential curbside recycling program will be launched January 2013.	On Target
Expansion of organic waste program under Waste and Recycling Plan to divert organic material from landfill.	Program options and preliminary costing were completed. Meetings were held with stakeholders for the commercial sector organics program. An organics strategy report is being prepared for Council and Committees. Location analysis is in progress.	On Target
Continue tree planting and maintenance program to ensure healthy urban forest.	Tree maintenance was completed in Buena Vista, College Park, Holliston, Holiday Park, Woodlawn Cemetery, and Mount Royal. Service requests and general tree maintenance is ongoing and continues throughout the year.	Complete
Establishment of soil protection and remediation policies and procedures for City-owned properties.	Preliminary soil criteria for City-owned land were developed. A Soil and Water Management Plan for at the Saskatoon Landfill and three to five major construction project sites will be prepared to guide soil handling in 2013.	On Target
Deliver feasibility report on district heating opportunities for the City.	The consultant has delivered a draft final report on the feasibility of district heating opportunities. A final report will be presented to City Council and Committees in 2012.	Complete

LAND DEVELOPMENT

Operates on a level playing field with the private sector, and ensures adequate levels of serviced inventory for both residential and industrial land are maintained to meet demand.

Saskatoon has witnessed considerable economic growth in recent years – growth that would have been constrained if sufficient land had not been available for development. The Land Development business line plays an integral role in the city's growing economy. It responds to the needs of a variety of customers in the housing, commercial, institutional, and industrial sectors. It invests capital dollars in the provision of municipal infrastructure, and creates demand for durable products and employment. This adds value to the economy and encourages job growth, positive net migration, and other important multiplier effects.

The City of Saskatoon is unique in that it is a land developer. The Land Bank Program operates on a level playing field with the private sector. Its primary focus is to ensure adequate levels of serviced residential, institutional, and industrial land are available at competitive market value to meet demand. The Land Bank Program is operated on a for-profit basis, with surplus funds allocated for reinvestment in the community.

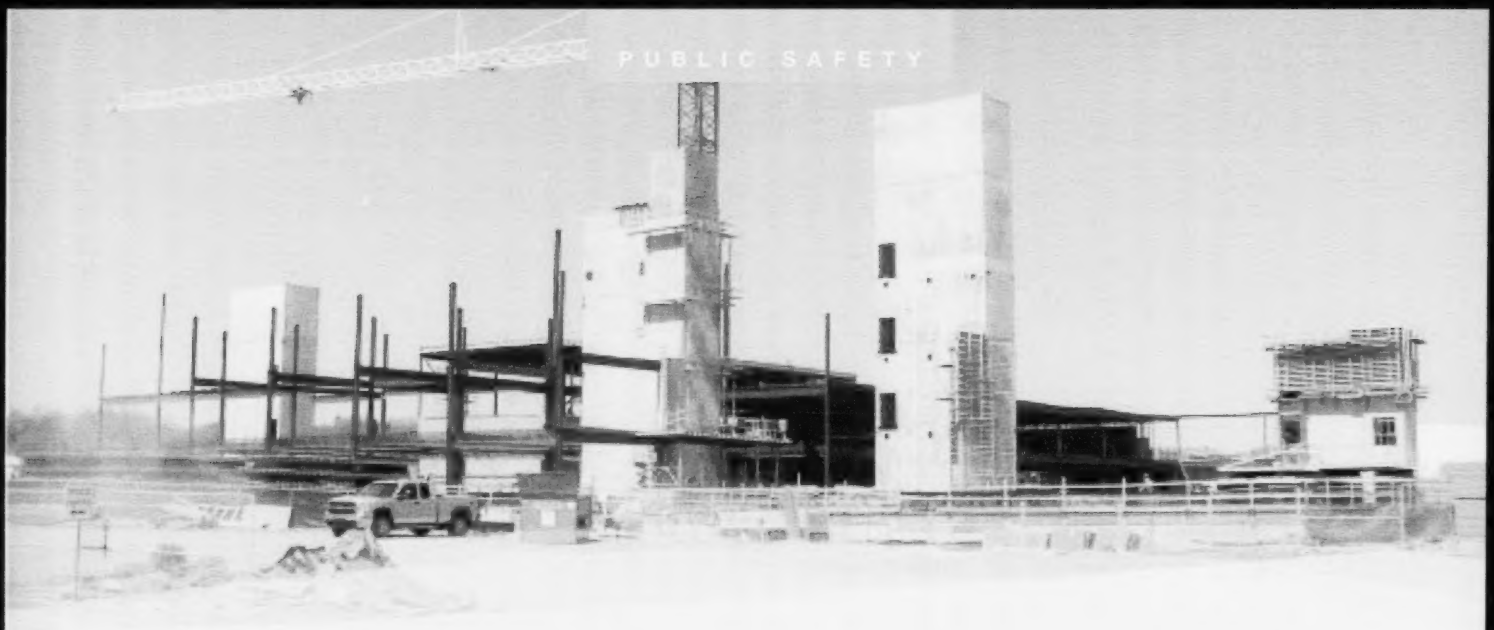
This business line operates a real estate portfolio to address short and long term land and facility needs.

The Land Development Capital Program also includes the construction of major arterial roadways, major trunk sewers, primary water mains, and suburban park development. These projects are funded from the collection of off-site levies collected from all land developers and are necessary for the City to support continuous urban growth.

Major Initiatives - 2011-2013	Work Completed To Date	Status
Completion of final phases of Hampton Village neighbourhood, a City-owned development.	The lot draw for 88 lots on Geary Crescent was completed and all 88 lots allocated and released to builders and individuals. Tenders for roadways/curbs in Phase 8 (Hargreaves Manor) were awarded, with completion scheduled for summer 2012. The lot draw for 153 Phase 8 lots is planned for May 2012.	On Target

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Submission of concept plan for development of Kensington neighbourhood.	The Kensington Concept Plan was finalized and will be sent to City Council in April 2012 for approval. A final public information meeting regarding traffic calming on Centennial Drive and Diefenbaker Drive was held in January 2012. Lot design is complete for Phases 1 and 2, servicing will be tendered in February 2012, with 103 lots scheduled for sale in Fall 2012.	**On Target**
Servicing and sale of lots in Rosewood neighbourhood.	In Rosewood, Phase 1, 165 lots were released to builders and individuals in November 2011, with 57 lots remaining in inventory for sale over the counter as of January 1, 2012. Water and sewer servicing in Phase 2 (134 lots) is 95% complete. Roadway tenders and construction planned for Phase 2 is scheduled for completion by fall 2012.	**On Target**
Servicing and sale of lots in Evergreen.	In Evergreen, 627 lots were allocated to builders and individuals in 2011. Roadway construction for 112 lots on Mahabir will be carried over to 2012, with a spring lot draw planned for the release of these lots. Throughout 2012, 439 single family lots will be offered to the market as servicing is completed.	On Target
Servicing of multi-family land.	Servicing of all 26 acres of multi-family land in Evergreen and Rosewood was completed in 2011, with a further 30 acres scheduled for completion in 2012 and 21 acres in 2013. Public tenders for the 26 acres will be prepared in March 2012.	On Target
Servicing of land in Marquis Industrial Area.	In the Marquis Industrial Area, servicing is complete on the 49 total acres planned for 2011. A public tender for 25 acres took place, with most of the land being optioned, leased, or sold. Plans to service 48 acres in 2012 have been expanded to 72 acres and another 60 acres in 2013 Roadway work for this phase will take place in 2012. Work on the CN Rail crossing will be complete in 2012.	On Target



PUBLIC SAFETY

Ensures Saskatoon continues to be a vibrant, safe city, with an excellent quality of life.

Nine out of ten residents believe Saskatoon provides a good quality of life. Public safety is key to this perception, and is also essential in a healthy, growing community. Individuals, families, community groups, social agencies, businesses, and visitors all benefit from the many programs and services offered through the Public Safety business line.

Lead services in this business line are the Saskatoon Police Service (SPS) and Saskatoon Fire and Protective Services (SFPS). The SPS works in partnership with the community to develop collaborative strategies to reduce crime and victimization. SFPS provides emergency responses to incidents of fire, pre-hospital emergency medical services, rescue, and unplanned releases of regulated and dangerous goods. SFPS also provides direction and coordination of the City's emergency planning, preparedness, business continuity and recovery (Emergency Measures Organization) requirements. Both the SPS and SFPS, in partnership with City Council and the community, combine enforcement with proactive prevention, education, and early intervention strategies.

Public Safety also involves other programs including the Home First Inspection Program, Property Maintenance and Nuisance Abatement, Safe Housing and Neighbourhoods Committee, Animal Services, Graffiti Management, Crime Prevention Through Environmental Design (CPTED), and the Crime Free Multi-Housing Program. The ultimate goal of the Public Safety business line is to ensure Saskatoon continues to be a vibrant, safe city with an excellent quality of life.

Major Initiatives - 2011-2013	Work Completed To Date	Status
Design and construction of new headquarters for Saskatoon Police Service (SPS).	The design/build process is ongoing, building excavation continues and foundations are underway.	**On Target**
Upgrade of radio systems for Saskatoon Police Service, Fire and Protective Services and Utility Services.	City Council awarded the contract to Motorola in September. Design review meetings are in progress and the upgrade is expected to be complete in 2012.	**On Target**

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Increase capacity of SPS Street Crime Unit.	Implementing Safer Streets Initiative and enhancing the anti-gang strategy.	On Target
Implementing a web-based reporting option to enable citizens to report minor crimes over the internet.	Software was purchased and pilot reporting test was completed.	On Target
Install in-car cameras in SPS traffic and patrol cars.	Tendering and examination of proponent's computers was completed.	On Target
Review of additional fire personnel and apparatus required to provide emergency services for recently annexed land.	No additional new fire personnel are required. A new bush truck (urban/wildland interface) and 3,000 gallon tanker complete with pump are now in service. Apparatus are deployed for emergency operations with reassignment of on-duty staff. A call back is enacted for any replacement staff and in circumstances where the emergency deployment is in one of the surrounding rural municipalities. Current service agreements provide for reimbursement of all associated overtime costs.	On Target
Construction of new fire hall in Hampton Village.	Land was purchased in 2011 for Fire Station No. 10 in Hampton Village. The station is planned for 2014 completion, pending identification of a funding source.	Deferred
Purchase of City-owned land in Stonebridge/CN Industrial area for future Fire Station No. 11.	Land was purchased in 2011 for Fire Station No. 11 in Stonebridge, at 803 Melville Street.	On Target

RECREATION AND CULTURE

Provides opportunities for citizens to participate in and enjoy the benefits of sport, recreation, culture, and park activities.

The Recreation and Culture business line provides a wealth of opportunities for citizens to participate in and enjoy the benefits of sport, recreation, culture, and park activities. Such activities are a core element of Saskatoon's quality of life, and an essential part of individual and community health.

One of the City's over-arching goals is to encourage as many citizens as possible to take advantage of the recreation and culture activities available. In order to do this, the Recreation and Culture business line operates a number of facilities, provides direct services and programs, and provides support to community-based organizations involved in delivering programs and services. Saskatoon's parks and open spaces provide space for citizens to play sports, walk or bike along pathways, swim in the paddling pools, and play in the playgrounds.

Major Initiatives - 2011-2013	Work Completed To Date	Status
Carry out $12.5 million in park upgrades and new development.	All work scheduled for 2011 was completed.	On Target
Design and construction of the Remai Art Gallery of Saskatchewan at River Landing.	The Remai Art Gallery of Saskatchewan project received development approval at the Meewasin Valley Authority Board meeting in December. Development application approval, detailed design drawing and associated cost review, final construction drawings, and public open house on detailed design are scheduled for early 2012. The proposed new Remai Gallery received the 2011 Canadian Architect Award of Excellence.	On Target

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Carry out Future Sport and Recreation Facility Needs Assessment Study.	The Administration is reviewing the needs assessment model prepared by the consultant. The model and recreation facility priorities will be presented to City Council after the consultant has populated the model with information gathered from the city-wide leisure survey completed in December. Project completion is on target for 2012.	On Target
Replacement of Mayfair outdoor swimming pool.	Construction of the pool basin began in 2011. Vertical concrete is complete and horizontal concrete is underway; building construction is underway. The swimming pool is scheduled to open in the summer of 2012.	On Target
Upgrade of City-owned golf courses, rinks, Forestry Farm Park and Zoo, and campground facilities.	**Golf Courses** A tender was issued for Holiday Park Golf Course to upgrade holes seven and eight according to the Master Plan approved by City Council. Tender bids came in significantly over budget, leading to re-evaluation of project schedule and scope. **Forestry Farm Park & Zoo** The new parking lot adjacent to the Administration Building was designed to include approximately 200 parking stalls. However, grading cost estimates exceeded the capital budget allotted, leading to redesign of the project for approximately 100 stalls. Work is expected to be tendered and completed in 2012. The redesign places the project within the approved capital budget; the balance of the parking lot will be constructed in the future when funding becomes available. **Gordon Howe Campground** Phase 3 of the electrical upgrade at Gordon Howe Campground provides roadway lighting throughout the park; it is expected to be complete by spring 2012.	Deferred On Target On Target
Implementation of Municipal Culture Plan.	The Culture Plan was adopted by City Council in September. A culture forum for arts and culture stakeholders, City staff, and interested city residents was held in November, with over 100 community representatives in attendance. An implementation strategy for the Culture Plan is underway.	On Target

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Installation of automatic irrigation management system in parks to reduce water consumption.	This project is complete.	Complete
Ongoing development of additional accessible playground units.	In 2011, W.W. Ashley Park was identified as a priority location. Funding was approved in the 2012 Capital Budget and strategy meetings have taken place with internal stakeholders.	On Target
Upgrade of Pleasant Hill and Dundonald neighbourhood parks.	A public input meeting on the proposed concept plan for the neighbourhood park in Pleasant Hill took place in November, with construction scheduled for 2012. Design work for Dundonald Park is scheduled for 2012.	On Target
Take over maintenance of new parks in Stonebridge, Willowgrove, Hampton Village, Evergreen, and Blairmore neighbourhoods.	All work scheduled for 2011 has been completed.	Complete
Provide hosting grants to support major special events, such as 2012 Canadian Country Music Awards.	City Council approved hosting grants for the 2012 Canadian Country Music Awards and the 2012 Tim Hortons Brier.	On Target
Preparation of first-ever Memorandum of Understanding (MOU) between a neighbourhood and its elementary schools to recognize and protect cash investment of $3.5 million in elementary schools/community centre facility and land costs. The MOU will formally acknowledge that design, construction, operation, and access to the school facility will provide activity space to support community programs and activities.	The integrated school design in Willowgrove was presented to partners in October, and will be used to begin negotiations on a MOU with both school boards. A draft template for the negotiations has been prepared. The school boards are leading the process.	On Target
Development of program plan for off-leash dog areas throughout the city.	The public consultation process was delayed.	Project Delayed

TRANSPORTATION

Efficiently move people, services, and goods while minimizing environmental impact and promoting sustainability.

Saskatoon is growing in geographic size as well as population. As the city grows, the challenges involved in safely and efficiently moving people, services, and goods around it become increasingly complex. The Transportation business line brings together a wide range of City services and programs, each of which plays an important role in meeting the transportation needs of the city.

Transportation involves planning, design, building, maintenance, operation, and regulation of the City's expanding transportation systems. This includes facilities for all modes of travel – pedestrian, bicycle, vehicle, and public transit. Saskatoon Transit provides fixed route service on designated bus routes as well as service for people with mobility issues. Discounted passes are offered to citizens with low income to assist with their transportation needs.

Transportation also involves traffic signal operation, parking control and enforcement, street lighting, seasonal lighting, sidewalk and back lane maintenance, sound attenuation, street sweeping, and snow and ice management. In addition, it provides services for maintenance and rehabilitation (preservation) of all roadway assets including roads, bridges and overpasses, sidewalks, back lanes, and pathways.

Finally, Transportation is about planning for the future. With some projections calling for Saskatoon's population to surpass the 400,000 mark by mid-century, a main focus of the Transportation business line is to explore innovative ways to efficiently move people, services, and goods, while minimizing environmental impact and promoting sustainability.

Major Initiatives - 2011-2013	Work Completed To Date	Status
Report on 2011 Saskatoon Transit fare increase and projected fares for next two years.	Fare increase report and Transit Fare Bylaw amendment were approved in December by City Council, resulting in a fare increase for 2012.	Complete

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Construction of new South Bridge, related interchanges, and overpasses.	Work continued on several fronts: > River Crossing - work on the west side is almost complete and crews have removed the west side earth berm. Crews have created an earth berm in the river for east side work. > Preston Interchange - the detour opened in October. > Northwest - the railroad overpass opened in December; Fletcher Road at Dundonald permanently closed; 11th Street east of Circle Drive opened in December. > Idylwyld Overpass - concrete decking has been poured and new Clarence Avenue off-ramp paved. > Lorne Avenue Overpass - concrete poured for decking.	On Target
Increase to funding for basic infrastructure to address maintenance of roads, back lanes, bridges, etc.	After reviewing various funding level options, in December 2011, City Council approved an increase in roadway funding by approximately 50% for 2012 to a total of $9.5 million. This includes a one-time allocation of $3 million toward roadway preservation. A reallocation of $300,000 of assessment growth was dedicated to back lane upgrades. Construction will occur in 2012.	On Target
Construction of Phase I of Highway 7 and Highway 14 interchange.	Grading was completed in late 2011. Roadways will be designed in early 2012 and the project is expected to be tendered in spring 2012 and constructed in summer 2012.	On Target
Development of long-range transportation master plan to integrate all transportation modes, including transit, walking, cycling, and driving.	An integrated approach to growth that incorporates transportation, land use, transit, and servicing planning has been developed.	On Target
Commence plans for replacement of Traffic Bridge.	The Traffic Bridge project was approved in scope but is presently unfunded. The project is on hold until a funding source has been determined.	Deferred
Construction and extension of 25th Street from Idylwyld Drive to 1st Avenue.	Work on water and sewer services is complete; roadway construction is scheduled for completion in fall 2012.	On Target

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Improvement of level of service for snow and ice removal by focusing on priority travel routes, areas near schools, bus stops, and accessibility of roadways in new neighbourhoods.	Program was implemented as planned.	Complete
Development and implementation of Transportation Demand Management Strategy for more efficient use of transportation resources.	A Steering Committee has reviewed recommendations and has developed an implementation plan.	On Target
Implementation of alternative options to City Card payment for parking and new technologies for parking enforcement, including license plate recognition for length of time in parking stall.	An RFP was issued for the upgrade of the City's parking infrastructure, including City Card, cell phone, credit card, and cash payment options. A vendor selection report is scheduled to be presented to City Council in 2012. Implementation is subject to the equipment selected and any underground wiring requirements.	On Target
Development and implementation of five-year capital plan for expansion of cycling infrastructure (pathways, bike lanes, sharrows), along with educational and awareness initiatives.	A five-year capital plan was approved by City Council and implementation began in 2011. A report was submitted to City Council on the status of the program and program direction for 2012.	On Target
Expansion of bus EcoPass program to businesses, non-profit agencies, high schools, etc.	Saskatoon Transit ran an aggressive advertising campaign in 2011, including advertising signs on buses (inside and out), radio advertising, brochures educating customers on the program, and social media advertising (Facebook, Twitter, City Blog). The Saskatoon Health Region is planning to expand its number of participants. Discussions with the Boards of Education regarding a UPass agreement for high school students (high schools are not currently part of EcoPass program) are progressing. UPass agreement with SIIT is completed and implementation will take place in early 2012. To date, 13 EcoPass agreements have been formalized, resulting in 354 employer-supported EcoPasses. Transit is currently in discussions with seven additional agencies.	On Target

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Retrofit of two signalized intersections at priority locations.	The intersections at Clarence Avenue and Ruth Street, and Fairlight Drive and Diefenbaker Drive are complete.	Complete
Review of new neighbourhood design standards from a long-term transit perspective.	An integrated approach to growth that incorporates transportation, land use, transit and servicing planning has been developed. The City will work with developers to update standards if changes are desired.	On Target
Pilot signal-priority system at five intersections to improve Transit service between downtown and University of Saskatchewan.	The pilot project is ready to proceed. Hardware has been installed on Transit DART buses and College Drive intersections and the project will be implemented in 2012, with reports generated to determine the impact on Transit service between downtown and the U of S.	On Target
Report on comprehensive short and long-term bus refurbishment.	The consultant report from AECOM was submitted to the Administration, and Saskatoon Transit refurbished approximately 40 buses between 2010 and 2011. The initiative has extended the life of the buses by approximately five to seven years. Saskatoon Transit will continue to replace buses via current capital reserve allotments and will defer presentation of a long-term replacement report to City Council until 2012.	Complete
Design and construction of bus terminal and bus route for easier access to Credit Union Centre during special events.	Saskatoon Transit and City Transportation staff and the Credit Union Centre Executive Director are revisiting the scope and plans for improving entrance/exit and bus terminal requirements.	On Target
Development of plan for Civic Operations Centre (relocate Saskatoon Transit and City Yards to multi-use site).	A P3 business case has been submitted to P3 Canada for funding approval.	On Target

URBAN PLANNING AND DEVELOPMENT

A proactive approach to addressing future opportunities and pressures on our community that accommodates growth and change (e.g. population, diversity of public services and amenities, broader scope of education, research, business), while balancing long-term economic, environmental and social needs, and achieving the desired quality of life expressed by our citizens.

The primary goal of the Urban Planning and Development business line is to build an increasingly sustainable community over time with an enhanced quality of life, which is consistent with the vision and core strategies of the City's Strategic Plan. This is accomplished through the provision of several interrelated services:

- Planning for the future growth of the City with long-range land use and infrastructure plans that are efficient and sustainable.
- Planning new development areas to ensure there are appropriate amounts of land for areas to work, live, and shop, and that these lands are situated in a compatible way with good access to transportation and community facilities, with a variety of housing options and price ranges.
- Encouraging economic development by supporting the Saskatoon Regional Economic Development Authority; assisting the start-up of new businesses; and providing advice and timely reviews for new development applications.
- Renewing and sustaining existing areas of the city through local area plans, neighbourhood rejuvenation projects, incentives for supportive and affordable housing, and appropriate licensing and civic bylaw enforcement.
- Providing quality public spaces throughout the city through streetscape master plans and urban design projects in key areas such as the downtown and business improvement districts.
- Providing timely reviews of building permit applications, to ensure the health and safety of owners and occupants.
- Continually monitoring the quality of life in our community, with our partners at the University of Saskatchewan and the Saskatoon Health Region, to facilitate ongoing evaluation of our Strategic Plan performance.
- Collaborating with our regional partners to build an economically and environmentally sustainable region.

In recent years, it has become increasingly apparent that the sustainability of our community, from an economic, environmental, social, and cultural perspective, will require new approaches to the way we plan and build our city. This is especially true in our current high-growth environment. Therefore, while we will always pay attention to our citizens' current needs in all our service line activities, we will also look to the future in everything we do to ensure Saskatoon remains economically viable and environmentally, socially, and financially sustainable over the long term.

Major Initiatives - 2011-2013	Work Completed To Date	Status
Upgrade of 3rd Avenue streetscape from 19th Street to 20th Street.	Phase 3 of the five-phase initiative saw the upgrade of 3rd Avenue from 19th Street to 20th Street. The first three phases are substantially complete; however, the installation of new light standards and street furniture remain outstanding for these phases. New light standards will be installed in spring 2012; street furniture is expected to be installed in summer 2012. Phases 4 and 5 have been deferred until at least 2016.	On Target
Construction of new section of 25th Street streetscape from 1st Avenue to Idylwyld Drive.	The water and sewer work for the new 25th Street alignment is complete, with roadway surface work scheduled for 2012. The Urban Design Team has prepared a streetscape plan for 1st Avenue to Idylwyld Drive. Construction work is scheduled to begin in 2012 with estimated completion in 2013.	On Target
Present Westmount and Varsity View Local Area Plans to City Council.	The Westmount Local Area Plan was adopted by City Council in June 2011, and recommendations are now at the implementation stage. The Varsity View Local Area Plan is in progress. The public consultation phase has been concluded, and City staff are preparing the draft plan with the help of the Local Area Plan committee. The final report will be presented to City Council in fall 2012.	On Target
Ongoing implementation of Housing Business Plan, with affordable housing target of 500 units per year and plans to distribute units city-wide.	The Housing Business Plan target is 500 new affordable housing units per year between 2008 and 2012. A variety of incentive programs, land predesignation, and enhanced communication continued to yield successful results. Projections estimate 2,239 new affordable housing units will be supported to the end of 2012 (448 units per year). The policy and incentive programs are under review to avoid concentration and encourage affordable housing in more neighbourhoods. Provincial funding has extended the Housing Business Plan to six years from five, to the end of 2013.	On Target
Explore options to provide online applications for business licenses and subdivisions.	The City is currently reviewing options for redeveloping the City's website to offer online applications. Programming and design work for online applications are in progress, with completion anticipated before the end of 2012.	On Target
Present recommendations for new care home and daycare policy.	This initiative is complete.	Complete

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Implementation of strategy for permanent funding for Housing Business Plan.	The Housing Business Plan called for the allocation, in a phased-in manner, of $1.5 million from the operating budget to the Affordable Housing Reserve over six years. The first $250,000 instalment was implemented in 2011. The Housing Plan also created partnerships with self-financing, long-term objectives: > mortgage flexibility support program provides a 5% down payment grant, funded through property taxes, and > partnered with Affinity Credit Union on Equity Building Program to provide affordable home financing for the community. The strategy has been deferred until the end of 2013. The City has received a new funding commitment from the Provincial Government and will use that source of funding for existing programs.	Deferred
Partner with RM of Corman Park to begin sector planning studies for planning district.	The first study, the South East Concept Plan, got underway in 2011 and is expected to be complete by summer 2012. A consultant has been hired, stakeholder meetings have been held, a background report is being drafted, and a workshop is scheduled for spring 2012. Subject to funding approval from the RM Council, a North Concept Plan and a South West Concept Plan will begin in mid-2012, with completion by mid-2013.	On Target
Development of Wetlands Policy and implementation plan to provide for conservation of wetlands within City's future growth areas.	An administrative review to determine the operational implications of the 2010 Wetlands Policy was completed. Policy materials are being prepared and stakeholder consultations are underway. Bylaw amendments will be preceded by a pilot phase to test the applicability and suitability of new policy requirements. Upon conclusion, a Wetland Management Plan will be drafted.	On Target
Present East Sector Plan to City Council.	The East Sector Plan has been reviewed and recommended for approval by the City's Municipal Planning Commssion (MPC), Technical Planning Commission (TPC), and Senior Management. It is scheduled to be presented to Executive Committee and City Council by April 16, 2012.	On Target
Implementation of City Centre Plan - Civic Plaza Master Plan to integrate civic buildings, public spaces, and infrastructure in downtown core.	Civic Plaza Master Plan - Phase 1 and 2 of the City Centre Plan are now complete. A consultant has been hired for Phase 3 and is underway, which is anticipated to be completed by June 2013.	Not Started

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Submit Blairmore Sector Plan to City Council for approval.	Amendments to the Blairmore Sector Plan were approved by City Council in March 2011.	Complete
Continue to refine City's Master Future Growth Plan.	A presentation on an Integrated Approach to Growth was given to Executive Committee in November 2011, and strategies have been incorporated into the City of Saskatoon Strategic Plan. The Strategic Plan and Future Growth Plan will be presented to City Council in early 2012, with publication of the Growth Plan in the spring. Implementation of the new plan will be undertaken by the new Future Growth Delivery Team, with oversight by the Future Growth Management Team.	On Target
Provide leadership in the development of the Kinsmen Park and Area Master Plan, which includes the Mendel Art Gallery building and grounds, and the Shakespeare on the Saskatchewan site.	The Master Plan was approved by City Council in December 2011. City Council also approved advancing the Children's Discovery Museum proposal for re-use of the current Mendel Art Gallery building to the business plan stage.	On Target
Provide leadership in development of a North Downtown Master Plan to create a comprehensive vision for vacant City-owned land resulting from extension of 25th Street to Idylwyld and relocation of City Yards.	The environmental site assessment is ongoing and the Preliminary District Heating and Cooling Study is substantially complete. A services overview, preparation of objectives and scope of work, and research into funding and partnerships is scheduled to begin in spring 2012.	On Target
Expand relationships with regional partners to respond to projects associated with Treaty Land Entitlement communications, wastewater management, and planning district concept plans.	The City continued consultations with stakeholders on Treaty Land Entitlement, including First Nations with land holdings in the region, Office of the Treaty Commissioner, and Saskatoon Regional Economic Development Authority (SREDA). A second Aboriginal Land Development Session was held in November 2011, with more events planned for 2012. The City partnered with RM of Corman Park, Martensville, Warman, and Osler to carry out a Planning for Growth Study.	On Target
Implement Planning for Growth Study in partnership with the RM of Corman Park, Martensville, Osler, and Warman.	The Planning for Growth Study was completed and a Steering Committee, representing the partners, was established to discuss recommendations, including creation of a regional working group and consideration of regional waste water treatment. Reports will be prepared for City Committees and City Council in 2012.	On Target

UTILITIES

Provide cost-effective and high-quality electricity, quality drinking water, treatment of wastewater and storm water management.

Electricity, quality drinking water, treatment of wastewater, and storm water management are basic amenities provided through the Utilities business line. Utilities is not only responsible for keeping the lights on, taps flowing, and toilets flushing, it is also responsible for the long-term, sustainable management of Saskatoon's water and energy resources.

Saskatoon Light & Power (SL&P) provides safe, reliable, and cost-effective electricity to customers. The Water Treatment Plant and water distribution system deliver treated water to households, businesses, institutions, and users outside the city limits on a cost-recovery basis. The Wastewater Treatment Plant treats wastewater that is delivered to the Plant by an extensive network of pump stations and underground pipes, and returns high-quality water back to the South Saskatchewan River. The storm water management system is a separate network designed to drain storm water away from streets and buildings.

Fees generated by services within the Utilities business line are an important source of revenue for the City. SL&P, for example, generated approximately $22 million in revenue in 2010. This revenue is available to the City in order to help offset property taxes and fund various municipal projects.

Major Initiatives - 2011-2013	Work Completed To Date	Status
Construction of new raw water intake and pump house to provide for city's current and future water supply needs.	With major construction work complete, work concentrated on electrical and instrumentation installations. The functional testing and commissioning of various types of equipment, with final inspection and 14-day operational trial is scheduled for early 2012.	On Target

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Expansion of flood control strategy, including installation of additional "superpipes" in Confederation Park, Westview, Early Drive, Erindale, Lakeview, and Dundonald.	Construction and engineering continues as cash flows allow. The superpipe currently under construction in Westview is nearing completion, on time and on budget.	**On Target**
Development of a new $3 million Turboexpander Power Generation Facility at SaskEnergy's Natural Gas Regulating Station (west of Saskatoon Landfill) will produce electricity for up to 600 homes with zero emissions by recovering pressure energy and heat energy.	Detailed design is in progress. The project has a funding shortfall which is expected to be covered by external funding sources, and is awaiting review of funding proposals. The project is expected to be tendered in 2012 and operational in late 2013.	**On Target**
Construction of gas collection system at Saskatoon Landfill; potential to reduce annual greenhouse gas emissions by over 90,000 tonnes per year and provide electricity for up to 2,600 homes.	Completion of intermediate soil cover on-site has been completed and the tender for installation of gas collection system blower/flare station and power generation station has been awarded. Construction is expected to begin on-site in 2012, and the facility is expected to be operational by spring 2013.	**On Target**
Explore viability of power generation at Saskatoon Weir; potential to produce green electricity for up to 4,800 homes while also generating revenue for the City; hydropower plant could be built in conjunction with whitewater park.	The Administration is exploring partnership opportunities.	**Deferred**
Explore feasibility of constructing tall wind turbine at Saskatoon Landfill; potential to generate green electricity for up to 600 homes.	A Request for Proposal for the purchase and construction of a tall wind turbine was issued in November and tenders closed in December. The price received was in excess of the project budget, prompting City Council to cancel the RFP. The project is deferred indefinitely.	**Deferred**

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Major upgrades to water reservoir at Avenue H and 11th Street, including expansion of existing reservoir and installation of new high-lift pump station and system to utilize ultraviolet disinfection. All three projects to be installed on existing footprint of land.	Tenders have been received and the low bid ($43.4 million) has been approved by City Council, with construction to begin in early 2012.	On Target
Expansion of reservoir at 42nd Street West, combined with new pumping facility to service industrial and northeast residential areas.	The Terms of Reference for engineering services is complete with award of contract expected in early 2012 and construction to begin midway through the year.	On Target
Commission study to review condition of City's electrical distribution system against industry standards, including identification of necessary capital improvements and costs, and projection of long-term rehabilitation and growth work required, which may impact return on investment.	Navigant Consultant was hired to undertake the study. The draft report was received in December 2011 with the final version to be completed by March 2012. Study results are expected to be presented to City Council in spring 2012.	On Target

CORPORATE GOVERNANCE AND FINANCE

Provides administrative, human resources, information technology, and finance supports for all other business lines. The City's vehicle and equipment fleet, and building operations and maintenance services provide support to the other business lines.

The Corporate Governance and Finance business line provides essential administrative, human resources, information technology, and finance supports for all other business lines. The expertise provided by City staff in these key areas helps to ensure the smooth, seamless provision and delivery of services to residents, businesses, organizations, and stakeholders. For more information on the role of the City Manager, City Clerk's Office, and City Solicitor's Office, please refer to page 37 of this document.

There is a wide range of employee and organizational services including: workplace safety, health and wellness, employee benefits, recruitment, corporate accounting, and information technology.

Major Initiatives - 2011-2013	Work Completed To Date	Status
Introduction of competency model to develop leadership competencies; alignment of different functions (e.g., employment, performance) to this model.	Research was conducted and incorporated into the workforce strategy, which will be presented to Senior Management in early 2012. Development work is expected to occur in 2012.	On Target
Development of comprehensive workforce strategy to respond to aging workforce and competitive job market.	A workforce strategy was developed for presentation to Senior Management in early 2012. Implementation is expected to begin in 2012.	On Target

Continued . . .

Major Initiatives - 2011-2013	Work Completed To Date	Status
Design and implementation of Integrated Health and Safety Management System for civic employees.	The City developed and rolled out a Health and Safety Management System (HSMS) to Branch Managers in November 2011.	Complete
Implementation of City Council's recommended revisions to Taxi Bylaw.	Plans were established for the analysis of taxi trip data, the awarding of seasonal taxi plates and for all vehicles to have technology that allows electronic payment. One company changed management in December, and the next steps in implementation of the taxi requirements include providing all background information to the new managers to ensure they are able to fully participate in the process, and then finalize the data to be gathered and the analysis process.	On Target
Preparation for 2012 Civic Election, which will introduce four-year term (currently three-year term).	Preliminary planning took place, including training of key administrative election staff and review by Municipal Wards Commission of ward boundaries, including input from the community. New wards will be established early in 2012. All other work will occur in 2012.	On Target
Preparation for 2013 property reassessment.	Data collection and data entry were completed. Analysis for multi-residential is underway and analysis for residential (single family and condominium) is 95% complete, with the balance of residential properties in stages of model development. Vacant land analysis is also complete. Capital budget will address the two years' of extra work leading up to the reassessment and the following years' extra work associated with appeals. Also included are assessment software upgrades for 2014/2015.	On Target
Phase-in of replacement of aging City vehicles and equipment to reduce maintenance costs.	The 2011 replacement program included replacement of $1.1 million in light units (mini vans to one-ton trucks), $752,000 in Police units, and $2.2 million in heavy units (three-ton to tandem axle trucks).	Complete
Introduction of video streaming of City Council meetings.	This project is complete.	Complete

2011 Distribution of Property Taxes

Where the Money to Run the City Comes From

Where Your Municipal Tax Dollars are Spent

Financial Management and Control

Corporate Planning Process

City Council's current Strategic Plan sets out a vision for the community, a mission statement, and a set of corporate values and strategies.

The Capital Budget process decides, based on City Council's priorities, which projects will proceed over which timeframe. Long-term capital planning (through the five-year plan) and reserve policies attempt to match required funds to required projects.

The Operating Budget allocates resources under the principle of continuing to deliver existing services and service levels. In addition, it recommends service level changes for specific programs based on a number of factors (usage, demand, ability to pay, growth, legislative change, business case, etc.). Choices are put before City Council on issues that have been raised by City Council, raised by the public, and/or identified by Administration.

Annual Financial Reports

A number of annual financial reports are submitted to City Council for its information and review, including the financial reports, capital project status reports, benchmarking and performance measurement reports, and the public accounts.

The annual Financial Report includes the consolidated financial statements prepared in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. These statements are audited by the City's appointed external auditor.

Financial Policies

The City of Saskatoon operates under a number of financial policies, some of which have received formal approval by City Council; others are based on fiscal responsibility.

Property Tax Policies

In 2001, City Council resolved that commercial property be taxed at 1.75 times the residential rate (shifted over a ten-year period) and that the effective tax rate between residential, condominium, and multi-family residential classes be equalized.

Investment Policy

City Council has approved a policy on portfolio management, which ensures that City portfolios are invested to primarily achieve the preservation of capital, the maintenance of liquidity sufficient to meet on-going financial requirements, and to maximize return on investment. Specific guidelines are outlined regarding the type of securities approved for purchase, investment limitations, and term structure.

Reserve Policies

City Council has established reserves through bylaws to fund capital projects, and through policy to provide a source of funds to stabilize specific user pay programs and/or general revenue variances.

The majority of capital work undertaken by the City is funded through dedicated reserves. The purpose, funding source, and withdrawal criteria are specifically outlined within bylaws. City Council approval is required for all withdrawals. The remaining reserves are specifically outlined in policy; a majority of these are used to stabilize specific programs either funded through user fees (golf courses), are dependent upon weather (snow and ice management), or are used to fund overall operations against revenue variances (interest earnings).

Debt Management Policies

The City of Saskatoon has operated primarily under a "pay-as-you-go" philosophy whereby its facilities and infrastructure are built based on current and projected reserve balances. The City Council approved policy on borrowing for capital projects specifically outlines borrowing only if sufficient funds are not otherwise available in existing reserves or through external sources, if funds will be recovered from future operating revenues or operating savings, and/or it would be equitable to extend the capital financing through borrowing for major capital initiatives to future users.

Services Provided By City Departments

Office of the City Manager

The City Manager is the Chief Administrative Officer of the City of Saskatoon. The position is responsible for planning, directing, supervising, coordinating, and controlling all municipal operations as approved by City Council.

The City Manager's responsibilities include providing assistance and advice on various aspects of municipal operations, investigating and reporting on all matters referred by City Council and its committees, and submitting the capital and operating budgets to City Council for review.

The City Manager chairs the Management Committee (comprised of all General Managers, the City Solicitor, the City Clerk, and the Chief of Police as a liaison) which is responsible for coordination of all City-wide management and operational matters.

The City Manager is the direct supervisor of all General Managers and through them, all Branch Managers and civic employees (except for those boards which are responsible to City Council). This includes the appointment, promotion, demotion, and suspension of employees of the City, except those employees appointed directly by City Council.

The City Manager's Office also conducts or directs special projects and intergovernmental affairs.

Strategic and Business Planning

The Strategic and Business Planning division of the City Manager's Office is responsible for aligning the community's vision for Saskatoon with the City of Saskatoon's Strategic Plan. The new Strategic Plan was completed in 2011 and will reflect the community's values and what is important to the citizens of Saskatoon. The Strategic Plan identifies strategic goals, indicators of success, performance targets, and initiatives that City Council has identified as the priorities for the next four years. The Strategic Plan will provide the direction for the respective departments and operational units within the City to develop its business plans in order to achieve the strategic goals and the performance targets that have been set.

This division also leads the initiatives that support the corporation to become more adaptive and responsive to the changing needs of our community. The City of Saskatoon is exploring and implementing new ways of improving our service, increasing our savings, and growing our city in a sustainable way. One of the key deliverables from these initiatives is to create a culture of innovation and creativity within the corporation. This is an environment where staff is well prepared, and willing to take on new challenges with new approaches, and new strategies with enthusiastic energy and drive. In essence, the City of Saskatoon is preparing as an organization, to act faster and become a world class innovator.

Government and Aboriginal Relations

The Government and Aboriginal Relations division of the City Manager's Office is primarily responsible for building and maintaining relationships with other municipalities, municipal associations, federal and provincial orders of government, and Aboriginal governments. In performing this key function, the division analyzes key policy decisions, issues, and trends emerging from other orders of government, including Aboriginal governments, public policy institutes, and the media as related to the policies and operations of the City of Saskatoon. This includes reviewing and analyzing legislative changes; reviewing and analyzing federal and provincial budgets; reviewing and analyzing changes to government policies and programs with respect to the potential impact on the City; engaging key government officials on behalf of the corporation; interacting with municipal associations on behalf of the corporation; interacting with the local Aboriginal community, Aboriginal government and federal and provincial departments responsible for Aboriginal affairs; and, supporting various advocacy efforts aimed at governments and other key stakeholders on issues related to the corporation.

Communications

The Communications Branch plans and directs all corporate communication activities for the civic administration including the development and implementation of public, employee and media relation strategies. The Branch operates in a consultative capacity to Senior Management on communication issues, community engagement, and acts as an internal consultant for departments who do not have resources dedicated to marketing and communications.

Office of the City Clerk

The primary responsibility of the City Clerk's Office is to administer the City's legislative processes. Responsibilities include: preparing and distributing agendas, minutes, and decisions of City Council and its committees; ensuring that the business of City Council and its committees is conducted in accordance with *The Cities Act* and other relevant legislation; maintaining corporate records and City Archives; conducting municipal elections, administering the provisions of *The Local Authority Freedom of Information and Protection of Privacy Act,* and providing administrative support services to City Councillors.

Office of the City Solicitor

The Office of the City Solicitor provides general and specialized legal services for the corporation. While it reports directly to City Council, the Office also provides legal services to all civic departments and boards. The major areas of responsibility include giving legal advice to City Council, the City Manager, and other civic departments; representing the City at all levels of court; doing all the legislative drafting and all bylaw enforcements for the City; and providing a wide variety of legal work such as land transactions, contracts, and risk management.

Community Services Department

The Community Services Department provides programs, services, and resources to create a community in which people of all ages and cultural backgrounds want to live, work, play, and visit. Through community consultation and the dedication of our employees, we continue to strive for excellence.

Building Standards Branch

The Building Standards Branch issues building and plumbing permits and administers inspection programs related to regulations contained in the Building Bylaw, the Swimming Pool Bylaw, the *Uniform Building and Accessibility Standards Act*, the National Building Code, and the Plumbing and Drainage Regulations.

Business Administration Branch

The Business Administration Branch provides coordinated support for the following functions: financial accountability; implementation and maintenance of business and information management systems; marketing strategies and communication programs; human resource management; and clerical services.

Planning and Development Branch

The Planning and Development Branch is responsible for overall land use planning and development activity in the City of Saskatoon. The primary goal of the Branch is to build an increasingly sustainable community over time, with an enhanced quality of life, consistent with the vision and core strategies of the City's Strategic Plan. The mandate of the Branch includes primary responsibilities for district planning, future growth, land use and zoning policy, development review, planning for new neighbourhoods, revitalizing existing communities, affordable housing, community safety, community and demographic research, heritage management, business licensing, and bylaw enforcement.

Community Development Branch

The underlying objective behind the Community Development Branch activities is to provide the supportive environment and capacity that empowers members of the community. The Branch is also responsible for the Cultural Diversity and Race Relations Policy.

Land Branch

The Land Branch plans, services, and sells residential, commercial, and industrial lots owned by the City of Saskatoon. The Branch is also responsible for urban design which provides design services for streetscape projects and programs primarily in Saskatoon Business Improvement Districts.

Leisure Services Branch

The Leisure Services Branch ensures that a broad range of sport, culture, parks, and recreation opportunities are available and affordable to residents and visitors. Programming is offered through leisure centres, rinks, a zoo, golf courses, a campground, a speed skating oval, and various park locations.

Corporate Services Department

The City of Saskatoon is a large organization with nearly 3,000 full-time, part-time, and seasonal employees. The Corporate Services Department's role is to help the institution work effectively and efficiently. The Department is responsible for the finance function, information technology and services, purchasing and inventory, and administrative support services within the corporation. These responsibilities are delivered through four branches.

Assessment Branch

This Branch is responsible for establishing and providing the assessment of all real property located in the City of Saskatoon in compliance with provincial legislation, producing the assessment roll, and defending such assessments before the Board of Revision and the Saskatchewan Municipal Board.

Finance Branch

This Branch is responsible for providing corporate financial recording, reporting, and control; supplier payments; administration of the City's Operating and Capital Budget process; employee payroll and benefits; and payments to superannuates. In addition, general financial management services are provided to all departments and boards.

Corporate Information Services Branch

The mandate of the CIS Branch is to ensure the effective management of the City's information assets and supporting technologies. The Branch's mission is "to assist and enable civic departments to meet their goals and objectives through leadership in technology services and solutions". CIS also provides supply management, printing, and mail services to the corporation.

Revenue Branch

This Branch is responsible for the collection, control, and disbursement of all corporate funds, including the investment function. This includes responsibility for the billing and collection of property taxes, electrical, water and sewer utility services, and matters related to municipal licensing. Other responsibilities include administration of the Animal Services Program and the regulating of the General Licensing Bylaw.

Fire and Protective Services Department

Saskatoon Fire and Protective Services (SFPS) provides twenty-four hour emergency response service in conjunction with the Saskatoon Emergency 9-1-1 Telephone System. This gives residents of Saskatoon an emergency protective services delivery system consisting of a wide range of components for

the sole purpose of preventing emergencies and reducing the loss of life and property. SFPS responds to and mitigates emergencies involving the rescue of persons, incidents of fire, unplanned releases of dangerous goods, and pre-hospital emergency medical incidents. SFPS provides community-based, customer-focused service to create a safe and comfortable environment for the residents of Saskatoon.

SFPS protects the City's tax base and supports economic development through extensive inspection, prevention, and enforcement programs carried out by the Fire Prevention and Investigation Division.

The Department's Community Relations Division works within the community promoting fire safety and injury prevention. Presentations are offered to students, community groups, parenting resource programs, seniors, and employee groups. The Division, through Program Firestop, also provides education to parents and children and referral for juveniles suspected of setting fires.

SFPS manages the Emergency Measures Organization, which undertakes to ensure a coordinated and timely response in the event of extraordinary emergencies that overwhelm existing resources.

Human Resources Department

The Human Resources Department consists of four branches: Employment and Total Compensation, Labour Relations, Occupational Health and Safety, and Organization and Employee Development.

Employment and Total Compensation Branch

This Branch acts as a central resource for the following areas: recruitment; diversity; classification, job evaluation, and pay research; and pension and benefits administration.

Labour Relations Branch

The Labour Relations Branch is responsible for collective bargaining with all unions and associations representing civic employees; implementation, administration, and interpretation of collective agreements, grievance decisions, and arbitration awards; and timely and accurate advice and counsel to City Council and management regarding labour relations issues.

Occupational Health and Safety Branch

This Branch provides resources in health and safety to all of the departments as well as the boards. The City has a Corporate Safety Management System which focuses on leadership, hazard and accident prevention, health and safety related training, healthy workplaces, and wellness initiatives. The Branch also processes all workers' compensation claims and provides support in all modified work programs for injuries and illnesses.

Organization and Employee Development

Organization and Employee Development provides services to individuals, work groups, and departments within the corporation in the areas of organization and staff development, performance management, conflict resolution, team building, culture change, and succession planning.

Infrastructure Services Department

The Infrastructure Services Department is responsible for the planning, operation, and maintenance of many of the City's assets including those involved with water distribution, sanitary sewage collection, storm water collection, roadways, bridges, parks and open spaces, public cemeteries, vehicle and equipment fleet, and City-owned buildings and structures. The Department is organized into seven branches.

Administration Branch

The Administration Branch is responsible for providing support services to the department in the areas of financial, system support, clerical, administrative, and human resource services.

Construction and Design Branch

The Construction and Design Branch acts as an "in-house" civil engineering service, providing functional and detailed design, construction, and regulatory services to the Infrastructure Services Department, and other departments as required. Major activities include land development management, servicing agreements, subdivision and discretionary use applications, construction project management for new roadways, interchanges, and water and sewer systems.

Facilities Branch

The Facilities Branch is responsible for the City's buildings and structures, the City-owned vehicle and equipment fleet, and the City's radio communications system. As such, the Branch provides for building operation and maintenance of civic facilities such as leisure facilities, fire halls, transit buildings, City office buildings, and contracted services for boards and agencies. Project management services for any capital or maintenance projects are provided, including design, contract tendering and award, and construction management. Energy management, space management, and accommodation planning are also provided for user departments.

Parks Branch

The Parks Branch is responsible for the maintenance and preservation of more than 1,600 hectares of the City of Saskatoon's parks and civic open spaces. This is accomplished by utilizing horticultural maintenance standards, maintenance contracts, and policy development. The responsibility of the Branch extends to maintenance of civic green space, parks, and boulevards, as well as maintenance and operation of the Woodlawn and Nutana Pioneer Cemeteries, the Greenhouse/ Conservatory Program, the Pest Management Program, and the Urban Forestry Program.

Public Works Branch

The Public Works Branch is responsible for the operation, maintenance, and preservation of roads, lanes, sidewalks, water mains, sanitary sewer mains, and storm sewer mains.

Strategic Services Branch

The Strategic Services Branch serves to separate the time consuming long-term strategic functions from the day-to-day operations. The Department relies on the Branch to lead engineering policy and procedure development, to coordinate initiatives as required, and to develop and manage long-term strategies for the preservation of the City's key infrastructure assets.

Transportation Branch

The Transportation Branch provides planning, design, regulation, and operation of the City's transportation network. Major activities include planning for the transportation network, traffic management and operations, parking control and enforcement, and regulatory control of the right-of-way through bylaw enforcement. The goal of the Transportation Branch is to provide for the safe and efficient movement of people, goods, and services within and through Saskatoon in a cost-effective manner.

Utility Services Department

A "utility" is simply a service provided to the public for a fee, such as electricity, water, or transportation. This Department brings together the majority of utilities that generate revenue from fees charged directly to the user. Utility Services is divided into six branches.

Business Administration Branch

The Business Administration Branch provides financial leadership to all branches of the Utility Services Department. This includes providing advice or direction for budget submissions, managing the revenue processing, financial reporting, managing the accounting process for the Department's assets, financial audits in coordination with the auditor, and managing the Department's payroll and accounts payable function.

Utility Rates and Performance Branch

The Utility Rates and Performance Branch provides rate design and analysis, revenue budget preparation, and performance measurement and reporting for the Department. The Branch is responsible for bulk power and natural gas purchases, and assists with diesel and gasoline purchase strategies.

Environmental Services Branch

The Environmental Services Branch administers programs and capital work relating to the reduction of corporate and community greenhouse gases through the Partners for Climate Protection Program; development, implementation, and maintenance of the corporate Environmental Management System; promotion of environmental and sustainability initiatives; brownfield remediation and environmental site assessments coordination; solid waste collection, disposal, and reduction; landfill operations; waste minimization programming; and laboratory services to support all necessary operational needs and projects of the Water and Wastewater Treatment Plants.

Saskatoon Light & Power

The City of Saskatoon operates an electric utility providing electrical service to the area of Saskatoon that lies generally within the 1958 city boundary. Bulk electrical power is purchased from the provincial crown utility, SaskPower, and through a system of transmission lines, substations, and distribution lines with associated distribution hardware, this utility distributes electricity to customers on demand at locations and at voltages appropriate to their needs. The utility is also responsible for the street lighting system.

Saskatoon Transit

Saskatoon Transit operates and maintains Saskatoon's public transit system. The Branch also provides Access Transit for individuals who are unable to use the regular transit system with safety and dignity. Saskatoon Transit operates six terminals spread throughout the city. Saskatoon Transit's service includes DART (Direct Access Rapid Transit) which serves all major quadrants of the city and can best be described as a light-rail system on wheels.

Water and Wastewater Treatment Branch

The Water and Wastewater Treatment Branch is responsible for the operation and maintenance of the City's water and wastewater treatment, the handling and disposal of solids resulting from the treatment processes, the remote water and wastewater pumping facilities, ongoing process optimization and environmental studies, long-term expansion planning, related construction project management and capital work, and the testing and maintenance of water meters.

Boards

Credit Union Centre (Legal name: Saskatchewan Place Association Inc.)

Credit Union Centre, Western Canada's most versatile and exciting trade, sports, and entertainment centre, can accommodate over 14,500 patrons.

The building has been the site of world and Canadian sporting championships, major concerts, and trade shows, and is the home of the Saskatoon Blades of the Western Hockey League. The hosting of these events brings over 700,000 patrons through Credit Union Centre on an annual basis.

Mendel Art Gallery and Civic Conservatory

The Mendel Art Gallery and Civic Conservatory was opened in 1964 and named to honour Frederick S. Mendel, industrialist and art connoisseur, who established his business and home in Saskatoon in 1940.

Selections from the Gallery's collection are exhibited regularly, along with regularly scheduled contemporary and historical exhibitions of local, national, and international origin. Each year, approximately twenty exhibitions are presented without charge for the benefit of Saskatonians and visitors to the city. The Mendel Art Gallery and Civic Conservatory is operated as a civic corporation under a board of appointed trustees.

Saskatoon Police Service

The operations of the Saskatoon Police Service are established under the authority of *The Saskatchewan Police Act, Part III*, Section 25 and 26, and under the City of Saskatoon Bylaw 5728. The Saskatoon Board of Police Commissioners is appointed by City Council to oversee the police operations and consists of the Mayor, two City Council members, and two citizens-at-large.

The Board is subject to the legislative jurisdiction of City Council to the extent only that the amount expended for upkeep of the Service must not exceed the amount fixed by the current estimates of City Council for that purpose.

The Police Service is equipped and trained for the most current needs in the delivery of a police service in partnership with the community. They also offer emergency services, take complaints of crime, conduct follow-up investigations and preventative activities throughout the city on a 24-hour basis.

Saskatoon Public Library

The Saskatoon Public Library, which first opened for circulation in May 1913 in the basement of the Odd Fellow's Hall, is now a city-wide system consisting of the central library and seven branches. The Library is supported by City taxation and provincial government grants, but direct service to each Saskatoon resident is free of charge.

The Library is a community resource centre, offering books, DVDs, CDs, CD-ROMs, magazines, newspapers, maps, audio cassettes, public computers with internet service, telephone books, pamphlets, government documents, trade directories, indexes, and other materials and programs to meet public informational, educational, and recreational needs. City Council minutes, reports, studies, and other civic material are available and may be consulted in the Library.

An automated circulation system operates in the central library and branches. The host computer is housed in the Frances Morrison (central) Library. This facility makes the collection of the entire system more accessible to all users and allows the Library a much more accurate inventory of the location of materials at any given moment.

TCU Place (Legal name: Saskatoon Centennial Auditorium and Convention Centre Corporation)

TCU Place was a project to commemorate the centennial of the founding of the Dominion of Canada. It is an imposing and beautiful building in the heart of the city, adjacent to a major shopping complex, steps away from first-class hotels, restaurants, boutiques, and parking facilities for 2,000 vehicles. The facility is equipped with sophisticated aids for audio, visual, stage, or exhibit requirements; maintains an in-house catering/banquet service; and is part of a province-wide box office. TCU Place's 2,000 soft-seat concert theatre has brought heartwarming praise from numerous world class entertainers and artists, touring companies, ballet companies, and local and international performing art groups, and is home of the Saskatoon Symphony.

With 104,000 square feet of high-end convention space, TCU Place is poised for the large sized national and international convention market, with first-class convention facilities and services.

In addition, the box office is part of the Ticketmaster ticket distribution system that sells tickets not only for TCU Place but also Credit Union Centre and other venues across Canada. TCU Place is owned by the City of Saskatoon and is operated by the Saskatoon Centennial Auditorium and Convention Centre Corporation. The Corporation, as well as the Saskatoon Centennial Auditorium and Convention Centre Foundation, consists of a Board of Directors with representation from City Council and the general public.

CONSOLIDATED FINANCIAL STATEMENTS

City of Saskatoon, Saskatchewan, Canada
Year Ended December 31, 2011

Management's Report

City of Saskatoon

The accompanying Consolidated Financial Statements and all other information contained in this Annual Report are the responsibility of management. The Consolidated Financial Statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The preparation of the statements necessarily includes some amounts which are based on the best estimates and judgements of management. Financial data elsewhere in the Annual Report is consistent with that of the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are reliable for the presentation of financial statements.

The Audit Committee of the City of Saskatoon comprises five elected officials who are appointed annually. The Committee recommends the engagement of the Internal and External Auditors, approves the annual and long-term audit plans, reviews the audit reports and the audited financial statements for presentation to City Council.

Deloitte & Touche LLP, Chartered Accountants, the City's appointed external auditors, have audited the Consolidated Financial Statements. Their report to the Mayor and City Council, stating the scope of their examination and opinion on the Consolidated Financial Statements, follows.

Murray Totland, P.Eng., MBA
City Manager

Marlys Bilanski, CMA, FCMA
General Manager, Corporate Services

June 1, 2012

Independent Auditor's Report - Deloitte & Touche LLP Chartered Accountants

To His Worship the Mayor and City Council:

Report on the Financial Statements
We have audited the accompanying financial statements of the City of Saskatoon, which comprise the consolidated statement of financial position of the City of Saskatoon (the "City") as at December 31, 2011 and the consolidated statements of operations, cash flow and changes in net financial assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the City of Saskatoon as at December 31, 2011 and the results of its operations, cash flow, and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The current year's supplementary information included in the schedules and appendices is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Deloitte + Touche LLP

Chartered Accountants

Saskatoon, Saskatchewan

June 1, 2012

Consolidated Statement of Financial Position

As at December 31, 2011 (in thousands of dollars)

	2011	2010 (Restated - Note 21)
Financial Assets		
Cash and Cash Equivalents (Note 2)	$ 76,634	$ 40,162
Taxes Receivable (Note 3)	8,141	7,759
Accounts Receivable and User Charges (Note 3)	123,868	96,120
Loan Receivable (Note 4)	4,678	5,103
Land Inventory for Resale	3,639	5,721
Other Assets (Note 5)	5,207	6,210
Investments (Note 6)	251,750	337,016
Accrued Pension Asset (Note 8)	27,336	33,472
Total Financial Assets	501,253	531,563
Financial Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	112,569	102,185
Deferred Revenue (Note 10)	131,609	159,253
Term Liabilities (Note 11)	127,368	145,510
Employee Benefits Payable (Note 12)	30,857	28,206
Total Financial Liabilities	402,403	435,154
Total Net Financial Assets	98,850	96,409
Non-Financial Assets		
Prepaid Expenditures	2,948	2,954
Tangible Capital Assets (Note 19)	2,605,861	2,351,630
Inventory of Materials and Supplies	10,873	10,010
Total Non-Financial Assets	2,619,682	2,364,594
Accumulated Surplus (Note 20)	$ 2,718,532	$ 2,461,003

Consolidated Statement of Operations

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010 (Restated Note 21)
Revenues			
Taxation (Note 7)	$ 153,113	$ 154,687	$ 144,696
Grants in Lieu of Taxes (Note 7)	4,480	4,133	3,855
User Charges	261,871	261,699	249,077
Government Transfers (Note 13)	53,940	54,205	44,044
Investment Income	9,602	10,987	9,622
Contribution from Developers and Others	-	104,288	126,973
Other	66,531	71,543	67,431
Total Revenues	549,537	661,542	645,698
Expenses			
General Government	25,494	23,865	29,272
Transportation	106,337	103,483	103,449
Protection of Persons and Property	117,485	121,840	113,970
Recreation and Culture	74,983	83,536	86,198
Social and Family Services	3,143	8,437	7,081
Planning and Development	29,796	36,879	48,817
Saskatoon Light & Power	89,344	86,930	88,837
Environmental Health	63,192	86,834	61,878
Debt Servicing Costs	5,804	4,019	3,834
Total Expenses	515,578	555,823	543,336
Surplus of Revenues over Expenses before Other Capital Contributions	33,959	105,719	102,362
Other Capital Contributions			
Government Transfers (Note 13)	107,904	110,455	54,500
Contribution from Developers and Others	29,285	41,079	46,106
Federation of Canadian Municipalities	-	217	-
Federation of Canadian Municipalities Green Fund Grant	-	54	14
Western Economic Diversification	750	5	420
Total Other Capital Contributions	137,939	151,810	101,040
Surplus of Revenues over Expenses	171,898	257,529	203,402
Accumulated Surplus, Beginning of Year (Note 21)	-	2,461,003	2,257,601
Accumulated Surplus, End of Year		$ 2,718,532	$ 2,461,003

Consolidated Statement of Cash Flow

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011	2010 (Restated Note 21)
Cash Flows from (used in) Operating Activities:		
Surplus of Revenues over Expenses	$ 257,529	$ 203,402
Changes in Non Cash Items		
Taxes Receivable	(382)	(520)
Accounts Receivable and User Charges	(27,748)	(9,699)
Loan Receivable	425	411
Land Inventory for Resale	2,082	8,261
Other Assets	1,003	(1,369)
Accrued Pension Asset	6,136	11,907
Prepaid Expenditures	6	(321)
Inventory of Materials and Supplies	(863)	114
Accounts Payable and Accrued Liabilities	10,384	14,810
Deferred Revenue	(27,644)	(1,934)
Employee Benefits Payable	2,651	2,630
Amortization	75,187	70,770
Total Cash Flow from Operating Activities	298,766	298,462
Cash Flows (from) Investing Activities:		
Increase (Decrease) in Investments	85,266	(81,906)
Cash Flows from (used in) Financing Activities:		
Proceeds from Term Debt	-	44,000
Term Debt Repaid	(18,142)	(13,831)
Total Cash Flow (used in) from Financing Activities	(18,142)	30,169
Cash Flows used for Capital:		
Acquisition of Capital Assets	(329,418)	(319,160)
Net Cash used in Capital Activities	(329,418)	(319,160)
Net Increase (Decrease) in Cash and Cash Equivalents	36,472	(72,435)
Cash and Cash Equivalents at Beginning of Period	40,162	112,597
Cash and Cash Equivalents at End of Period	$ 76,634	$ 40,162

Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011	2010 (Restated Note 21)
Surplus of Revenues over Expenses	$ 257,529	$ 203,402
Net Acquisition of Tangible Capital Assets	(329,418)	(319,160)
Amortization of Tangible Capital Assets	75,187	70,770
Deficit from Capital Transactions	(254,231)	(248,390)
Net Change in Prepaid Expenses	6	(321)
Net Change in Inventory of Materials and Supplies	(863)	114
Deficit from of other Non-financial Expenditures	(857)	(207)
Increase (Decrease) in Net Financial Assets	2,441	(45,195)
Net Financial Assets, Beginning of Year	96,409	141,604
Net Financial Assets, End of Year	$ 98,850	$ 96,409

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

1. Accounting Policies

The consolidated financial statements of the City of Saskatoon (the "City") are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants ("CICA"). Significant aspects of the accounting policies adopted by the City are as follows:

a. Basis of Consolidation

i. Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City, namely:

- General Revenue and Capital Funds
- Board of Police Commissioners
- Wastewater Utility
- Storm Water Management Utility
- Water Utility
- Saskatoon Light & Power
- Transit Utility
- Mendel Art Gallery
- Centennial Auditorium (Operating as TCU Place)
- Saskatchewan Place (Operating as Credit Union Centre)
- Saskatoon Public Library
- Saskatchewan Information and Library Services Consortium Inc. (SILS)
- Reserve Funds

All interfund amounts have been eliminated through the consolidation. Schedule 6, and supporting Appendices 1 to 7, include only those revenues and expenditures reflected in the City's annual Operating Budget, which is prepared to identify the City's property tax requirements. Excluded from this Schedule are the operations of the Mendel Art Gallery, TCU Place, Credit Union Centre, Saskatoon Public Library, and the Sinking Fund.

The Saskatoon Public Library has an interest in the Saskatchewan Information and Library Services Consortium Inc. ("SILS"), which has been proportionately consolidated.

ii. Trust and Pension Funds

Trust funds (see Note 16) and pension funds and their related operations administered by the City are not reflected in the consolidated financial statements.

iii. Accounting for School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, are not reflected in the municipal fund balances of these financial statements. Amounts due to/from school boards are reported on the Consolidated Statement of Financial Position as accounts payable/accounts receivable.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

1. Accounting Policies (continued)

b. Basis of Accounting

i. Revenues and Expenditures

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from development charges for services that have not yet been provided at the time the charges are collected are accounted for as deferred revenue until used for the purposes specified. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

ii. Property Tax Revenue

Property tax revenue is based on assessments determined in accordance with Saskatchewan legislation and the formulas, principles and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. A provision has been recorded in Accounts Payable and Accrued Liabilities for potential losses on assessment appeals outstanding as of December 31, 2011.

iii. Cash Equivalents

Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

iv. Inventories of Materials and Supplies

Inventories of materials and supplies are valued at the lower of cost and net realizable value. Cost is determined using average laid in costs.

v. Land Inventory for Resale

The City is one of the primary property developers in the municipality. Land inventory for resale is recorded at the lower of adjusted cost and net realizable value. Adjusted cost includes amounts for land acquisition and improvements to prepare the land for sale. Land is available for resale when approved for sale by the Land Bank Committee and when all municipal services have been completed.

vi. Investments

All investments are recorded at amortized cost using the effective interest rate method. Premiums and discounts are amortized over the life of the investment. Investment transactions are accounted for at the settlement date. Investment income is recorded on the accrual basis. When there has been a loss in a value of an investment that is other than temporary decline, the investment is written down to recognize the loss and the loss is recognized in the consolidated statement of operations.

vii. Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the revenue amount can be made.

viii. Pension Amounts

The City of Saskatoon makes contributions to the General Superannuation, Part Time and Seasonal Employee Superannuation, Police Superannuation, and Fire and Protective Services Department Superannuation Plans on behalf of its staff. All plans are defined benefit plans with the exception of the Part Time and Seasonal Employee Plan. Pension expense for the defined benefit plans are based on actuarially determined amounts. Pension expense for the defined contribution plan is based on the City's contributions.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

1. Accounting Policies (continued)

b. Basis of Accounting (continued)

ix. Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods. Significant estimates include pension amounts, employee benefits payable, landfill liability, and the amortization of tangible capital assets.

x. Segmented Reporting

Segmented information on the Consolidated Financial Activities is presented on Schedule 4. It is based on capital and operating services for both utilities and the general City programs, plus information on the Saskatoon Public Library, Mendel Art Gallery, TCU Place and Credit Union Centre.

xi. Derivative Financial Instruments

The City has entered into two interest rate swap agreements with the Royal Bank of Canada in order to manage the interest rate exposure associated with its term debt loans. The agreements arrange for the exchanging of the floating interest rate cash flows from the underlying debt instruments with fixed interest rate cash flows based on a notional amount. Because the term swap agreement effectively and completely hedges the interest costs on the underlying debt obligations, the City is reflecting the obligation as term debt.

xii. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquistion, construction, development or betterment of the asset. The cost less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

- Buildings . . . . . 25 to 50 years
- Plants and Facilities . . . . . 20 to 50 years
- Roadways . . . . . 20 to 75 years
- Underground Networks . . . . . 50 to 75 years
- Electrical Utility . . . . . 10 to 45 years
- Vehicles . . . . . 4 to 30 years
- Traffic Control . . . . . 15 to 30 years
- Machinery and Equipment . . . . . 5 to 25 years
- Land and Land Improvements . . . . . 20 to indefinite years
- Other: - Furniture and Fixtures . . . . . 10 to 20 years
  - Information and Communication . . . . . 10 to 15 years

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

1. Accounting Policies (continued)

b. Basis of Accounting (continued)

xii. Tangible Capital Assets (continued)

A full years amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for use. Interest costs for the construction and development of tangible capital assets are capitalized.

(a) Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.

(b) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risk incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(c) Land under roads

Land under roads that is acquired other than by a purchase agreement is valued at a nominal cost.

(d) Cultural, historical and works of art

The City manages and controls various works of art and non operational historical and cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are expensed.

2. Cash and Cash Equivalents

	Cost		Market	
	2011	2010	2011	2010
Cash	$ 76,634	$ 13,681	$ 76,634	$ 13,681
Treasury bills, provincial promissory notes, bankers acceptance, commercial paper	-	26,481	-	26,623
	$ 76,634	$ 40,162	$ 76,634	$ 40,304

3. Receivables

It is the normal practice of the City to review its accounts receivable on a regular basis and write off any accounts which are considered to be uncollectable. A general allowance of $1,484 (2010 - $1,370) for uncollectable taxes is included in the balance of Taxes Receivable.

4. Loan Receivable

City Bylaw No. 8418 was approved by City Council in 2005 to authorize a 15 year loan in the amount of $10,550 from the City to Saskatoon Soccer Centre Inc. for the construction of the North East Soccer Park, in Forest Park, in Saskatoon. The total annual payment under the loan is shared by Saskatoon Soccer Centre Inc. and the City resulting in an amount receivable from the Saskatoon Soccer Centre Inc. of $7,037 and a deferred grant of $3,513 that is amortized over the life of the loan payments. Interest is recognized as earned at 2.80 percent to 4.60 percent over the life of the loan. Security on the loan is by way of an assignment lease against the Henk Ruys Soccer Centre and the North East Soccer Park. The amount receivable and deferred grant as at the end of December 31, 2011 are $4,678 (2010 - $5,103).

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

5. Other Assets

	2011	2010
Deferred Charges	$ 4,962	$ 5,971
Other Inventory for Resale	245	239
	$ 5,207	$ 6,210

6. Investments

	Cost		Market	
	2011	2010	2011	2010
Federal, provincial, municipal, federal government agency and corporate bonds	$ 251,750	$ 337,016	$ 260,276	$ 347,408

Maturities are between 2012 - 2020 with effective interest rates of 0.951 percent to 5.25 percent.

7. Net Taxes Available For Municipal Purposes

	2011	2010
Gross Taxation Revenue Collected	$ 291,384	$ 281,886
Taxes collected on behalf of others:		
Saskatoon School Division No. 13	(92,219)	(92,030)
St. Paul's Roman Catholic Separate School Division No. 20	(39,571)	(40,561)
Business Improvement Districts	(774)	(744)
Net taxes available for municipal purposes	$ 158,820	$ 148,551
Comprised of:		
Municipal	154,687	144,696
Grants in Lieu of Taxes	4,133	3,855
	$ 158,820	$ 148,551

The *Education Act* and *The Cities Act* set out the manner in which collection of taxes and trailer license fees are to be submitted to the School Boards and the Business Improvement Districts. As the City is acting as agent only for the collection of such taxes, these amounts are not reflected in the Schedule of Revenue and Expenditures, nor are the Assets, Liabilities, and Fund Balances of these Boards included in the consolidated financial statements.

8. Pension Plans

The City administers four employee pension plans - the General Superannuation Plan, the Police Superannuation Plan, the Fire and Protective Services Department Superannuation Plan, and the Part-Time and Seasonal Employee Superannuation Plan. Combined, these plans provide pension benefits for all eligible staff of the City. General, Police, and Fire Plans are contributory defined benefit plans. The Seasonal Plan is a defined contribution plan. In all Plans, contributions are made by Plan members and the City as stipulated by pension agreements. The defined benefit plans provide for a benefit that is integrated with the Canada Pension Plan, and is based on years of contributory service, times a percentage of average earnings as defined by each plan. The Part-Time and Seasonal Employee Superannuation Plan provides a benefit based on the annuity that can be purchased with the funds in an employee's account (i.e. a money purchase plan).

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

8. Pension Plans (continued)

The accrued pension asset relates to the three main plans – the Retirement Plan for Employees of the City of Saskatoon Board of Police Commissioners, the Retirement Plan for Employees of the Fire and Protective Services Department of the City of Saskatoon, and the General Superannuation Plan for City of Saskatoon employees not covered by the Police and Fire and Protective Services Departments' Superannuation Plans. The General Plan provides for partial inflation protection on benefits accrued to December 31, 2000. Fire and Police plans have provided for partial ad hoc indexing from time to time in the past when deemed affordable through surpluses. The latest increase for eligible retired members of the Fire and General Plan was granted January 1, 2008 and January 1, 2011, respectively. The latest increase for retired members of the Police Plan was granted July 1, 2010. In accordance with the latest filed valuation report as at December 31, 2009, the average age of the 3,128 employees accruing service under the Plans is 43.24 years. There are 35 former employees who are entitled to deferred pension benefits. At present, the Plans provide benefits for 1,465 retirees and surviving spouses; benefit payments were $42,000 in 2011.

Employees make contributions in accordance with the following: General Pension 7.9 percent of salary; Fire Pension 7.7 percent of salary; and Police Pension 7.67 percent of salary while the City contributes an equal amount. In 2011, employee contributions for current service were $17,000 (2010 - $16,000), and the City's contributions were $17,000 (2010 - $15,000). A separate pension fund is maintained for each Plan. Pension fund assets are invested entirely in marketable investments of organizations external to the City. The accrued benefit asset at December 31 includes the following components:

	2011	2010
Accrued benefit obligation	$ (964,597)	$ (909,599)
Pension fund assets		
Marketable securities	891,819	890,104
	(72,778)	(19,495)
Unamortized actuarial losses	100,114	52,967
Accrued benefit asset	27,336	33,472
Net carrying value of accrued benefit asset	$ 27,336	$ 33,472

Actuarial valuations for accounting purposes are performed at least triennially using the projected benefit method prorated on services. The most recent valuations were prepared by AON Consulting as at December 31, 2009. The accrued benefit obligations shown for 2011 is based on an extrapolation of the 2009 valuations. There is a net unamortized actuarial loss to be amortized on a straight line basis over the expected average remaining service life of the related employee groups applicable to each of the Plans (13.33 years on average).

The actuarial valuations were based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The assumptions used represent the City's best estimates.

The expected inflation rate is 3.25 percent for the General Plan and 3.0 percent for the Fire and Police Plan. The discount rate used to determine the accrued benefit obligation is 6.75 percent for the General Plan, 6.50 percent for the Police Plan and 6.45 percent for the Fire Plan. The earnings increase rate is 4.25 percent for the General Plan and 4.00 percent for the Fire and Police Plan.

Pension fund assets are valued using a market related value which amortizes realized and unrealized gains and losses over a five year period. The expected rate of return on General Plan assets is 6.75 percent, 6.50 percent for the Police Plan assets and 6.45 percent for the Fire Plan assets. The actual rate of return on Plan assets in 2011 was 1.50 percent. The market value of assets at January 1, 2011 and December 31, 2011 was $850,144 and $849,412, respectively.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

8. Pension Plans (continued)

The total expenditures related to pensions in 2011 include the following components:

	2011	2010
Current period benefit cost	$ 34,461	$ 36,142
Less: Employee contributions	(16,707)	(15,517)
Amortization of actuarial loss	6,491	7,114
Pension expense excluding interest	24,245	27,739
Interest cost on the average accrued benefit obligation	60,036	55,562
Expected return on average pension plan assets	(61,691)	(56,144)
Pension interest expenditure	(1,655)	(582)
Total Pension Expense	$ 22,590	$ 27,157

9. Accounts Payable and Accrued Liability

Included in accrued liabilities is $7,798 (2010 - $5,914) for the estimated total landfill closure and post closure care expenditures. The estimated liability for these expenditures is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenditures recognized as at December 31, 2011, based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post closure care activities discounted at the City's average long-term borrowing rate of 3.64 percent. The expense recorded with respect to landfill closure liability is recorded in the Consolidated Statement of Operations.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection, and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a forty-year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill is 56 percent of its total estimated capacity and its estimated remaining life is 52 years. The period for post closure care is estimated to be 36 years.

The expected lifespan for the Landfill has been conservatively estimated on the basis of waste diversion rates rising slowly. With the introduction of residential curbside recycling in 2013, the diversion rate is expected to rise from the current level of 23 percent to 40 percent or higher within a year. The optimization strategy for the Landfill is also based on the existing facility footprint. Should additional lands be annexed into the Landfill footprint, the lifespan would also increase.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

10. Deferred Revenue

	2011	2010
Development Charges	$ 44,777	$ 28,847
Federal Government Transfers	25,952	19,573
Provincial Government Transfers	47,100	100,826
Ticket Sales and Other	13,780	10,007
	$ 131,609	$ 159,253

Government transfers include sources of funding from the federal and provincial governments that are required to be spent on approved eligible capital projects. These transfers are deferred until eligible expenditures are incurred.

11. Term Liabilities

a. Debt

Year Repayable	2011	2010
2011	$ -	$ 18,142
2012	18,821	18,821
2013	17,225	17,225
2014	14,639	14,639
2015	15,179	15,179
2016	13,259	13,259
2017	13,732	13,732
2018	14,220	14,220
2019	10,767	10,767
2020	7,099	7,099
2021	997	997
2022	1,042	1,042
2023	190	190
2024	198	198
Total Debt	$ 127,368	$ 145,510

Interest rates range from 1.81 percent to 5.625 percent. All term debt instruments have been issued in Canadian Funds.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

11. Term Liabilities (continued)

b. Derivative Financial Instruments:

	2011	2010
Royal Bank Banker's Acceptance Loan - offering rate plus spread of 0.20% revolves quarterly at progressively smaller amounts until October 2013 (offering rate at December 31, 2011 was 1.28143%)	$ 6,198	$ 9,195
Financial instrument created by interest rate swap agreement - 3.00% terminates October 2013 - the notional amount of this swap is equal to the loan noted above.		
Royal Bank Bankers' Acceptance Loan - offering rate plus spread of 0.20%, revolves quarterly at progressively smaller amounts until October 2018 (offering rate at December 31, 2011 was 1.28143%)	23,761	26,651
Financial instrument created by interest rate swap agreement - 3.58% terminates October 2018 - the notional amount of this swap is equal to the loan noted above.		
Total	$ 29,959	$ 35,846

c. Regulations

The regulations under *The Cities Act* require that individual debenture issue bylaws be submitted, reviewed, and approved by the Saskatchewan Municipal Board ("SMB") with the exception that an urban municipality with a population greater than 30,000 can apply to the SMB for a debt limit. The City's debt limit is $414,000 as approved by the SMB.

12. Employee Benefits Payable

Vacation leave is credited to employees on a monthly basis based on contractual obligations. Such credits are accumulated from the period April 1 to March 31 and may not be taken in advance. Therefore, credits earned from April 1, 2011 to December 31, 2011 would normally be available to employees after April 1, 2012.

The City operates a number of Sick Leave Benefit Plans as stipulated within agreements with the various Unions and Associations of employees. These plans are based on the accumulation of sick leave credits to a specified maximum, or are guaranteed long-term disability plans. For those Unions with accumulated sick leave plans, the employee is entitled to a cash payment under specified circumstances, including retirements, based upon a formula stipulated in the union agreements.

Employee benefits payable are recorded as financial liabilities on the Consolidated Statement of Financial Position, offset by a reduction in fund balances. The total of these liabilities is as follows:

	2011	2010
a) Vacation leave accrual	$ 18,021	$ 16,900
b) Sick leave credits	12,836	11,306
	$ 30,857	$ 28,206

The City's Liability for sick leave credits is an actuarially determined amount. Significant assumptions include: discount rate - 4.00 percent; earnings increase rate - 3.50 percent; and, inflation rate - 3.50 percent.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

13. Government Transfers

The following transfers have been included in revenues:

	2011	2010
Operating Transfers		
Federal	$ 8,484	$ 6,856
Provincial	45,721	37,188
	54,205	44,044
Capital Transfers		
Federal	50,863	52,775
Provincial	59,592	1,725
	110,455	54,500
	$ 164,660	$ 98,544

14. Contingencies

a. Lawsuits

Various lawsuits and claims are pending by and against the City. Provisions have been made for any claims that are likely and the amount of the potential loss can be reasonably estimated. It is the opinion of management that final determination of any remaining claims will not materially affect the financial position of the City.

b. Contractual Obligations

The City has not entered into any long-term contractual obligations, the recognition of which would materially affect these financial statements.

15. Property Realized Reserve

The Property Realized Reserve, which is included on Schedule 3, is reported net of all withdrawals. This practice does not recognize the value of assets for property purchased but not yet sold, or repayable advances of funds. At December 31, 2011, the gross value of the Property Realized Reserve is estimated to be $80,008 (2010 - $63,946) itemized as follows:

	2011	2010
Gross Value of Reserve, December 31	$ 80,008	$ 63,946
Advances Repayable from Future Revenue Fund Provisions	(6,505)	(6,612)
Property Purchased from Reserve and not yet re-sold (at estimated cost)	(58,004)	(45,900)
Net Balance of Reserve, December 31	$ 15,499	$ 11,434

16. Trust Funds

The City administers two trust funds, the Cemetery Perpetual Care Fund and the Group Insurance Trust Fund. The reserve balances in these trusts are $3,362 (2010 - $3,206) and $655 (2010 - $893), respectively.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

17. Expenditures By Object

The following is a summary of the expenses reported on the Consolidated Statement of Operations by object of expenses:

	2011	2010
Wages and Benefits	$ 231,353	$ 225,239
Contracted and General Services	124,848	131,323
Heating, Lighting, Power, Water and Telephone	85,056	82,721
Materials, Goods and Supplies	21,943	21,627
Finance Charges	5,489	5,368
Donations, Grants and Subsidies	11,947	6,288
Amortization	75,187	70,770
	$ 555,823	$ 543,336

18. Comparative Figures

a. Reclassified to Conform with Current Year

Certain comparative figures have been reclassified to conform with the current year's consolidated financial statements presentation.

19. Tangible Capital Assets

	Net Book Value	
	2011	2010
Land	$ 227,237	$ 214,636
Land Improvements	135,687	124,544
Buildings	125,585	126,783
Roadways	607,835	590,081
Plant and Facilities	86,019	74,065
Underground Networks	670,179	634,360
Electrical Utility	174,276	163,463
Machinery and Equipment	10,276	9,354
Traffic Control	7,509	6,134
Vehicles	52,315	51,231
Other	16,707	13,684
	2,113,625	2,008,335
Assets under Construction	492,236	343,295
	$ 2,605,861	$ 2,351,630

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 5). Interest capitalized was $77 (2010 - $701). Contributed assets totaled $25,742 (2010 - $34,945) and were capitalized at their fair value at the time of receipt.

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

20. Accumulated Surplus

	2011	2010
Fund Balances		
Funds to offset taxation or user charges in future years (Schedule 1)	$ (1,039)	$ 6,734
Unexpended capital financing (Schedule 2)	196,875	211,025
Reserves (Schedule 3)	52,451	43,260
	248,287	261,019
Net Investment in Tangible Capital Assets		
Tangible Capital Assets (Schedule 5)	2,605,861	2,351,630
Capital outlay financed by term liabilities to be recovered in future years	(116,299)	(131,103)
Capital outlay financed by internal investments	(19,317)	(20,543)
	2,470,245	2,199,984
Total Accumulated Surplus	$ 2,718,532	$ 2,461,003

21. Restatement of Prior Years

As a result of a review of the agreements under the Industrial Land Incentives Program, it was determined that certain of these amounts should not have been included as Accounts Receivable, Deferred Revenue and Revenues in prior years. The Accumulated Surplus has been restated as follows:

2010 Accumulated Surplus, as originally reported	$ 2,471,574
2010 Adjustment for Accounts Receivables and User Charges	(11,639)
2010 Adjustment for Deferred Revenue	1,068
2010 Accumulated Surplus, as restated	$ 2,461,003

Schedule 1 - Schedule of Funds to Offset Taxation or User Charges in Future Years

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011	2010
Balance, Beginning of Year	$ 6,734	$ 25,244
Transfer to Revenue Stabilization Reserve	(420)	(272)
Transfer to Land Bank program	-	(3,000)
Transfer to Capital Projects	-	(244)
Software licenses	-	(89)
Transfer to Meewasin Valley Authority	-	(50)
Increase in Employee Benefit Payables	(2,651)	(2,630)
Decrease in Accrued Pension Asset	(6,136)	(11,907)
Increase in Landfill Closure/Post Closure Care Liability	(1,884)	(3,128)
Increase in accrued term debt principal	245	2,390
Surplus for the Year (Schedule 6)	3,073	420
Balance, End of Year	$ (1,039)	$ 6,734

Schedule 2 - Schedule of Capital Operations

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Source of Funds			
Province of Saskatchewan	$ 42,673	$ 55,836	$ 365
Federal Gas Tax Program	-	6,090	6,997
Provincial Building Communities Program	1,517	980	216
Urban Highway Connector Program	1,610	1,221	-
Government of Canada	-	274	17
Federal Transit Funding Program	-	1,361	5,688
Federal Gateway and Border Crossings	50,272	31,176	29,603
Building Canada Fund (FED)	9,385	7,639	2,011
Federal Infrastructure Stimulus Fund	-	3,875	8,058
Recreational Infrastructure Canada (FED)	-	392	371
Recreational Infrastructure Canada (PROV)	-	-	763
Building Canada Fund (PROV)	2,447	1,555	373
Federation of Canadian Municipalities	-	217	-
Federation of Canadian Municipalities Green Fund Grant	-	54	14
Canada Mortgage and Housing Corporation Municipal Infrastructure Lending Program	-	-	44,000
Western Economic Diversification	750	-	409
Taxation	4,275	5,205	4,051
Utility Contribution	2,560	8,398	7,892
Borrowing	46,549	-	-
Contributions from Developers Benefitting Property Owners and Other Users	29,285	15,325	20,622
Appropriations			
Sinking Fund	-	675	-
Operating Surplus	-	-	144
Reserves	154,820	174,973	163,450
Library Reserve	50	50	-
	346,193	315,296	295,044

(continued on next page)

Schedule 2 - Schedule of Capital Operations (continued)

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Expenditures			
General Government	3,885	4,131	4,900
Protection of Persons and Property	27,233	19,579	6,425
Transportation	177,851	177,454	167,003
Environmental Health	75,298	69,622	80,412
Social and Family Services	-	-	4,103
Planning and Development	16,071	34,601	24,065
Recreation and Culture	17,909	9,618	9,045
Property Purchases and Development	-	-	11,292
Saskatoon Light & Power Expansion and Replacements	27,946	14,441	10,460
	346,193	329,446	317,705
Increase in Unexpended Capital Financing	-	(14,150)	(22,661)
Unexpended Capital Financing, Beginning of Year	-	211,025	233,686
Unexpended Capital Financing, End of Year	$ -	$ 196,875	$ 211,025

Schedule 3 - Schedule of Reserves

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011	2010 (Restated Note 21)
Replacement		
Albert Community Centre	$ 2	$ 16
Automated Garbage Containers	24	115
Access Transit	(65)	148
Boards:		
TCU Place	(8)	(469)
Saskatoon Public Library	3,063	2,966
Mendel Art Gallery	135	121
Credit Union Centre	879	652
Buildings and Ground Equipment	35	33
Bus Replacement	746	1,237
Civic Vehicles and Equipment	406	351
Saskatoon Light & Power	3,920	3,558
Computer Equipment	245	297
Grounds Maintenance Equipment Acquisition	97	25
Fire Equipment	544	398
Fire Apparatus	(15)	(736)
Infrastructure Replacement:		
Surface Improvements	1,224	(1,526)
Water and Sewer Replacement	(18,326)	(18,694)
Parks	(1,116)	(1,925)
Storm Water Management	629	(600)
Landfill	(255)	32
Leisure Service Equipment	329	220
Photocopy Machine	235	175
Police - Vehicle/Radio	1,222	974
Radio Trunking	176	176
Wastewater Collection/Treatment	335	222
Water Utility	203	397
Weigh Scales	181	181
Balance, End of Year	(5,155)	(11,656)

(continued on next page)

Schedule 3 - Schedule of Reserves (continued)

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011	2010 (Restated Note 21)
Future Expenditures		
Animal Services	75	53
Animal Trading Zoo	61	54
Affordable Housing - Operating	4,772	4,038
Boards:		
TCU Place	1,492	462
Saskatoon Public Library	13,576	12,643
Mendel Art Gallery	1,086	349
Credit Union Centre	2,086	760
Bridge Major Repairs	(1,099)	96
Building Permits/Inspections	2,801	2,369
Corporate Capital	(580)	(501)
Campsite	158	163
Civic Buildings Comprehensive Maintenance	(629)	1,192
Civic Hospitality	113	100
Community Support Grant	129	101
Corporate Information Systems Development	609	572
Cosmo Stabilization	60	60
Dedicated Lands	1,754	735
Dedicated Roadways	784	619
Downtown Housing	107	211
Errors and Omissions	299	199
Saskatoon Light & Power Distribution Extension	(3,915)	(2,389)
Saskatoon Light & Power Revenue Stabilization	576	478
Fire Department Uniforms	346	502
Forestry Farm Park and Zoo Capital	120	210
Forestry Farm Park Development	89	102
Forestry Farm Auditorium	26	21
Fuel Stabilization	1,000	-
General Voting	167	97
Golf Course Capital	280	135
Golf Course Stabilization	200	200
Heritage Fund	261	273
Holiday Park Golf Course Development	560	479
Insurance Deductible	894	567
Interest Stabilization	1,243	546

(continued on next page)

Schedule 3 - Schedule of Reserves (continued)

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011	2010 (Restated Note 21)
Land Bank	(22,600)	(1,162)
Land Operations	2,697	2,851
Neighbourhood Park Enhancement	441	497
Parking Facilities	803	808
Pest Control	68	68
Police Facilities Major Repair	620	490
Police Equipment	146	30
Planning Levy	599	330
Prepaid Services	25,680	3,371
Property Realized	15,499	11,434
Public Works Building	43	33
Reserve for Capital Expenditures	2,146	764
Fiscal Stabilization	2,701	3,281
Sign Shop Equipment Acquisition	20	-
Sinking Fund	230	805
Snow & Ice Contingency	549	-
Snow & Ice Acquisition	440	310
Special Events	251	238
Sports Participation	76	76
Storm Water Management Utility Stabilization	82	321
Streetscape	2,713	3,154
Street Cleaning/Sweeping Acquisition	25	-
Sundry	(2,738)	5,051
Traffic Noise Attenuation	288	162
Traffic Safety	230	418
Transit Capital	78	87
Transportation Infrastructure Expansion	(4,798)	(6,282)
Urban Development Agreement	3	3
Vehicle and Equipment Acquisition	173	174
Waste Minimization	(131)	(173)
Wastewater Collection/Treatment Capital	(8)	1,100
Water and Wastewater Utility Stabilization	1,393	-
Water Capital Projects	14	767
Weather	250	250
SIGI Reserve (Saskatchewan Infrastructure Growth Initiative)	122	164
Balance, End of Year	57,606	54,916
Total Reserves, End of Year	$ 52,451	$ 43,260

Schedule 4 - Schedule of Financial Activities by Segment For the Year Ended December 31, 2011 (in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Library	Mendel	TCU Place	Credit Union Centre	Consolidation Adjustments	2011
Revenues										
Taxation	$ 139,049	$ -	$ 5,205	$ -	$ 15,638	$ -	$ -	$ -	$ (5,205)	$ 154,687
Grant in lieu	29,153	-	-	-	-	-	-	-	(25,020)	4,133
User Charges	25,947	253,155	-	-	326	569	11,247	16,863	(46,408)	261,699
Federation of Canadian Municipalities Green Fund Grant	-	-	-	54	-	-	-	-	-	54
Federation of Canadian Municipalities	-	-	217	-	-	-	-	-	-	217
Government Transfers	52,837	-	97,241	13,159	690	598	-	-	135	164,660
Investment Income	10,567	-	-	-	-	-	40	52	328	10,987
Contribution from Developers	-	-	10,493	2,749	-	-	-	-	132,125	145,367
Other	75,601	-	-	-	442	20	2	-	(4,522)	71,543
Western Economic Diversification	-	-	-	-	-	-	-	-	5	5
From Reserves	-	-	147,625	28,023	-	-	-	-	(175,648)	-
Utility Contribution	-	-	-	8,398	-	-	-	-	(8,398)	-
Total Revenues	333,154	253,155	260,781	52,383	17,096	1,187	11,289	16,915	(132,608)	813,352
Expenses										
General Government	45,789	-	4,170	-	-	-	-	-	(26,094)	23,865
Protection of Persons and Property	122,882	-	19,762	-	-	-	-	-	(20,804)	121,840
Transportation	59,428	36,699	173,185	5,925	-	-	-	-	(171,754)	103,483
Environmental Health	14,337	78,822	23,837	46,434	-	-	-	-	(76,596)	86,834
Social and Family Services	3,227	-	-	-	-	-	-	-	5,210	8,437
Planning and Development	27,601	-	34,924	-	-	-	-	-	(25,646)	36,879
Recreation and Culture	40,466	-	10,739	-	17,261	3,352	11,897	16,773	(16,952)	83,536
Saskatoon Light & Power	-	132,699	748	13,827	-	-	-	-	(60,344)	86,930
Debt Servicing Costs	4,683	5,373	-	-	-	-	-	-	(6,037)	4,019
Total Expenses	318,413	253,593	267,365	66,186	17,261	3,352	11,897	16,773	(399,017)	555,823
Surplus (Deficit) of Revenues over Expenses	$ 14,741	$ (438)	$ (6,584)	$ (13,803)	$ (165)	$ (2,165)	$ (608)	$ 142	$ 266,409	$ 257,529

Schedule 4 - Schedule of Financial Activities by Segment For the Year Ended December 31, 2010 (in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Library	Mendel	TCU Place	Credit Union Centre	Consolidation Adjustments	2010 (Restated Note 21)
Revenues										
Taxation	$ 130,035	$ -	$ 4,051	$ -	$ 14,661	$ -	$ -	$ -	$ (4,051)	$ 144,696
Grant in Lieu	27,880	-	-	-	-	-	-	-	(24,025)	3,855
User Charges	23,780	235,800	-	-	358	484	11,414	18,757	(41,516)	249,077
Federation of Canadian Municipalities Green Fund Grant	-	-	-	14	-	-	-	-	-	14
Government Transfers	42,318	-	37,211	17,252	800	734	-	-	229	98,544
Canada Mortgage and Housing Corporation Municipal Infrastructure Lending Program	-	-	44,000	-	-	-	-	-	(44,000)	-
Investment Income	9,131	-	-	-	-	-	13	38	440	9,622
Contribution from Developers	-	-	10,526	1,835	-	-	-	-	160,718	173,079
Other	71,682	-	-	-	209	60	-	(8)	(4,512)	67,431
Western Economic Diversification	-	-	409	-	-	-	-	-	11	420
From Reserves	-	-	156,099	7,495	-	-	-	-	(163,594)	-
Utility Contribution	-	-	-	7,892	-	-	-	-	(7,892)	-
Total Revenues	304,826	235,800	252,296	34,488	16,028	1,278	11,427	18,787	(128,192)	746,738
Expenses										
General Government	41,893	-	4,978	-	-	-	-	-	(17,599)	29,272
Protection of Persons and Property	116,534	-	6,527	-	-	-	-	-	(9,091)	113,970
Transportation	53,735	33,788	160,298	9,726	-	-	-	-	(154,098)	103,449
Environmental Health	14,775	69,425	13,618	67,697	-	-	-	-	(103,637)	61,878
Social and Family Services	2,790	-	4,168	-	-	-	-	-	123	7,081
Planning and Development	26,876	-	35,917	-	-	-	-	-	(13,976)	48,817
Recreation and Culture	38,504	-	10,229	-	16,391	3,321	12,577	18,802	(13,626)	86,198
Saskatoon Light & Power	-	128,769	2,333	8,294	-	-	-	-	(50,559)	88,837
Debt Servicing Costs	8,946	1,539	-	-	-	-	-	-	(6,651)	3,834
Total Expenses	304,053	233,521	238,068	85,717	16,391	3,321	12,577	18,802	(369,114)	543,336
Surplus (Deficit) of Revenues over Expenses	$ 773	$ 2,279	$ 14,228	$ (51,229)	$ (363)	$ (2,043)	$ (1,150)	$ (15)	$ 240,922	$ 203,402

Schedule 5 - Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2011 (in thousands of dollars)

	Cost					Accumulated Amortization				Net Book Value	
										Tangible Capital Assets End of Year	
	Opening Balance	Additions	Disposals	Write Downs	Balance End of Year	Accumulated Amortization Beginning of Year	Accumulated Amortization on Disposals	Amortization	Accumulated Amortization End of Year	2011	2010
Land	$ 214,636	$ 15,308	$ 2,707	$ -	$ 227,237	$ -	$ -	$ -	$ -	$ 227,237	$ 214,636
Land Improvements	209,422	19,822	301	-	228,943	84,878	-	8,378	93,256	135,687	124,544
Buildings	212,849	3,514	58	-	216,305	86,066	-	4,654	90,720	125,585	126,783
Roadways	1,019,571	46,264	22	-	1,065,813	429,490	-	28,488	457,978	607,835	590,081
Plant and Facilities	138,250	15,541	-	-	153,791	64,185	-	3,587	67,772	86,019	74,065
Underground Networks	875,681	48,111	140	-	923,652	241,321	-	12,152	253,473	670,179	634,360
Electrical Utility	276,679	18,768	-	-	295,447	113,216	-	7,955	121,171	174,276	163,463
Machinery and Equipment - Cost	17,214	1,985	35	-	19,164	7,860	-	1,028	8,888	10,276	9,354
Traffic Control	14,517	1,926	-	-	16,443	8,383	-	551	8,934	7,509	6,134
Vehicles	118,523	7,139	1,236	-	124,426	67,292	958	5,777	72,111	52,315	51,231
Other property, plant and equipment	72,129	5,640	1,224	-	76,545	58,445	1,224	2,617	59,838	16,707	13,684
Assets under Construction	343,295	148,941	-	-	492,236	-	-	-	-	492,236	343,295
Total	$ 3,512,766	$ 332,959	$ 5,723	$ -	$ 3,840,002	$ 1,161,136	$ 2,182	$ 75,187	$ 1,234,141	$ 2,605,861	$ 2,351,630

Schedule 6 - Schedule of Revenues and Expenditures

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Revenues			
Taxation	$ 137,688	$ 139,049	$ 130,035
Grants in Lieu of Taxes	29,477	29,153	27,880
General Revenues	69,033	73,528	67,323
User Fees	36,521	38,588	37,270
Transfers from Other Governments	52,691	52,836	42,318
Total Revenues for the Year (Appendix 1)	325,410	333,154	304,826
Expenditures			
Community Support	8,244	8,342	7,678
Environmental Health	15,614	15,793	14,697
Legislative & Corporate Administration	59,819	57,644	50,596
Land Development	4,776	6,690	7,111
Public Safety	116,209	116,950	109,907
Recreation & Cultural Services	44,919	45,100	43,379
Transportation	63,114	65,345	58,284
Urban Planning & Development	11,897	13,222	11,962
Taxation	818	995	792
Total Expenditures for the Year (Appendix 2)	325,410	330,081	304,406
Surplus	$ -	$ 3,073	$ 420

Appendix 1 - Schedule of Revenues

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Taxation			
Property Levy	$ 137,391	$ 138,721	$ 129,761
Municipal Services Agreement	160	173	139
Trailer Occupancy	75	89	74
Amusement	62	66	61
	137,688	139,049	130,035
Grants in Lieu of Taxes			
Senior Governments and Agencies	4,206	4,134	3,855
Own Utilites - Saskatoon Light & Power	24,996	17,855	17,280
Own Utilities - Water	-	4,091	3,890
Own Utilites - Wastewater	-	2,818	2,481
Own Utilities - Transit	-	133	125
Land Bank Program	275	122	249
	29,477	29,153	27,880
General Revenues			
R.M. of Corman Park	75	75	75
Provincial Government	826	929	838
Licence and Permits	4,866	6,391	5,350
Fines and Penalties	6,148	6,861	6,070
Automated Enforcement Fines	1,247	1,264	1,504
Property Rentals	1,031	1,288	1,126
Franchise Fees	17,307	17,913	17,164
Interest Earnings	9,569	10,568	9,131
Tax Penalties	1,005	1,197	1,072
Other Revenue	251	327	120
Utility Return on Investment	23,908	23,907	21,780
Administration Recovery	2,040	2,040	2,000
Soccer Centre Tax Agreement & Other Grant	10	18	93
Land Bank Distribution	750	750	1,000
	69,033	73,528	67,323

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Appendix 1 - Schedule of Revenues (continued)

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
User Fees			
Legal Fees	148	168	169
Tax Searches and Enforcement	175	166	161
Police	896	1,131	1,137
Fire	122	209	149
Engineering	574	667	595
Parking	5,325	5,312	5,137
Solid Waste Management	5,870	5,073	4,805
Environmental Protection	193	153	147
Transportation	259	209	196
Cemetery	954	1,008	849
Planning	353	287	348
Tourist Campsite	470	475	536
Forestry Farm Park	635	717	624
Kinsmen Park Rides	140	122	110
Albert Community Centre	112	152	140
Marr Residence	1	-	-
Swimming Pools	308	317	321
Golf Courses	2,956	2,936	2,700
Skating Rinks	1,870	1,888	1,853
Rentals	4,906	4,868	4,713
Programming	5,139	5,534	5,226
Ball Fields	30	42	28
Outdoor Sports Fields	289	311	231
Land Administration Fee	4,650	6,618	6,998
River Landing	146	225	97
	36,521	38,588	37,270
Transfers from Other Governments	52,691	52,836	42,318
	52,691	52,836	42,318
Total Revenues	$ 325,410	$ 333,154	$ 304,826

Appendix 2 - Schedule of Expenditures

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Community Support			
Community Development	$ 2,856	$ 2,823	$ 2,581
Community Investments & Supports	4,159	4,244	3,948
Animal Subsidized Spay & Neuter	40	37	24
Cemeteries	1,189	1,238	1,125
	8,244	8,342	7,678
Environmental Health			
Environmental Program	582	587	652
Waste Collection and Disposal	10,726	10,959	10,083
Waste Minimization	728	791	726
Urban Forestry	2,894	2,777	2,557
Meewasin Valley Authority	679	679	679
Cash Grants - Environmental	5	-	-
	15,614	15,793	14,697
Legislative & Corporate Administration			
Legislative	1,175	1,068	1,006
City Manager's Office	1,138	1,162	880
City Clerk's Office	2,031	2,029	1,840
City Solicitor's Office	1,886	1,691	1,683
Financial Services	5,203	5,217	4,746
Assessment	2,953	2,765	2,603
Corporate Support	14,410	12,877	12,606
General Services	24,342	24,844	20,216
Vehicle & Equipment Services	-	390	222
Civic Facilities	6,681	5,601	4,794
	59,819	57,644	50,596
Land Development			
Land Bank Program	4,650	6,619	6,998
City-Owned Property	126	71	113
	4,776	6,690	7,111

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Appendix 2 - Schedule of Expenditures (continued)

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Public Safety			
Police	71,735	72,297	68,052
Fire	39,011	38,938	35,979
Emergency Measures	202	185	187
Animal Control	1,206	1,188	1,152
Pest Management	756	715	844
Crime Free Multi-Housing	99	89	89
Crime Prevention Through Environmental Design	130	137	121
Fines & Penalties	2,458	2,654	2,752
Graffitti Program	59	56	51
Impound Lot	553	691	680
	116,209	116,950	109,907
Recreation and Cultural Services			
Spectator Ballfields	129	132	138
Civic Recreation Program Marketing Support	557	525	495
Community Partnerships	206	209	184
Forestry Farm Park	2,196	2,267	2,082
Golf Courses	2,956	2,936	2,700
Gordon Howe Campsite	470	476	536
Indoor Rinks	2,088	2,040	2,015
Kinsmen Park Rides	171	163	193
Outdoor Pools	991	968	1,015
Outdoor Sports Fields	580	606	529
Parks Maintenance & Design	10,403	10,473	9,547
Playground & Recreation Areas	731	748	698
Program Research & Design	182	179	160
Rec/Competitive Facilities - Program	8,335	8,647	8,234
Rec/Competitive Facilities - Rentals	8,734	8,776	8,516
Targetted Programming	592	610	626
Tourism	396	396	399
Albert Community Centre	224	211	209
Building Maintenance	645	324	405
Credit Union Centre	398	398	455
Marr Residence	20	20	14
Mendel Art Gallery	2,237	2,237	2,146
River Landing	223	306	173
TCU Place	1,455	1,453	1,910
	44,919	45,100	43,379

(continued on next page)

Appendix 2 - Schedule of Expenditures (continued)

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Transportation			
Transit Subsidy	20,460	21,211	18,356
Access Transit	3,807	3,993	3,256
Transportation Services	6,021	5,874	5,619
Road Maintenance	13,727	14,468	12,386
Snow & Ice Management	7,674	8,294	7,606
Street Cleaning/Sweeping	2,165	2,586	2,494
Bridges, Subways, Overpasses	1,181	960	905
Street Lighting	5,308	5,307	5,218
Parking	2,279	2,184	2,052
Engineering	492	468	392
	63,114	65,345	58,284
Urban Planning & Development			
Affordable Housing	416	409	109
Building Permits & Standards	3,874	5,131	4,292
Business Improvement Districts	108	108	108
Business Licenses & Bylaw Enforcement	1,124	1,094	1,063
Development Review	994	988	906
Economic Development	1,862	2,082	2,123
Future Growth	396	373	401
Neighborhood Planning	320	318	245
Research & Mapping	382	333	351
Urban Design	2,141	2,131	2,131
Infrastructure Services - Development Control	280	255	233
	11,897	13,222	11,962
Taxation			
Supplementary Property Levy	687	805	682
Property Tax Discount	40	32	19
Tax Loss Compensation	91	158	91
	818	995	792
Total Expenditures	$ 325,410	$ 330,081	$ 304,406

Appendix 3 - Water Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Revenues			
Metered	$ 42,511	$ 40,859	$ 36,541
Infrastructure Levy	4,185	3,983	3,561
Miscellaneous	133	123	117
Fire Protection Charge	603	652	627
Late Payment Penalites	149	155	145
	47,581	45,772	40,991
Expenditures			
General	7,706	7,214	7,335
Laboratory	450	425	368
Treatment and Pumping	8,723	8,517	7,842
Buildings and Grounds	778	594	559
Meters	1,283	1,328	1,057
Watermains	6,081	5,869	5,421
Hydrants	1,147	928	862
Services	1,935	2,114	2,441
Contribution to Capital Reserves	9,080	8,785	6,443
Debt Charges	10,398	10,398	10,263
	47,581	46,172	42,591
Deficit Before Transfer from Reserve	-	(400)	(1,600)
Transfer from Stabilization Reserve	-	400	1,600
Surplus/Deficit	$ -	$ -	$ -

Appendix 4 - Wastewater Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Revenues			
Metered	$ 29,655	$ 28,453	$ 24,250
Infrastructure Levy	5,779	5,500	4,918
Late Payment Penalties	98	104	97
Miscellaneous	651	1,158	816
Flood Protection Levy	3,300	3,536	3,470
	39,483	38,751	33,551
Expenditures			
General	5,413	5,038	4,893
Laboratory	503	506	420
Lift Stations	1,114	1,439	1,095
Pollution Control Plant	6,282	5,979	5,455
Sludge Handling and Disposal	1,627	1,442	1,993
Sewer Engineering	343	272	251
Sewer Inspections	452	307	280
Sewer Maintenance	2,933	2,973	2,862
Service Connections	2,680	1,945	1,806
Contribution to Capital Reserves	13,704	13,568	10,666
Debt Charges	4,432	4,432	3,830
	39,483	37,901	33,551
Surplus Before Transfer to Reserve	-	850	-
Transfer to Stabilization Reserve	-	(850)	-
Surplus/Deficit	$ -	$ -	$ -

Appendix 5 - Storm Water Management Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Revenues			
Metered	$ 3,411	$ 3,455	$ 3,389
Late Payment Penalties	10	11	10
	3,421	3,466	3,399
Expenditures			
General	369	281	278
Storm Sewer Engineering	213	221	200
Storm Sewer Maintenance	929	1,259	1,564
Drainage	410	488	400
Contribution to Capital Reserves	1,500	1,456	1,456
	3,421	3,705	3,898
Deficit Before Transfer from Reserve	-	(239)	(499)
Transfer from Stabilization Reserve	-	239	499
Surplus/Deficit	$ -	$ -	$ -

Appendix 6 - Saskatoon Light & Power Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Revenues			
Metered	$ 119,662	$ 119,009	$ 115,179
Municipal Surcharge	11,966	11,900	11,517
Service Connection Fee	450	432	427
Miscellaneous	621	515	504
Tax Collection Commission	2	2	2
Late Payment Penalties	245	259	242
	132,946	132,117	127,871
Expenditures			
General	22,706	22,322	22,022
Power Purchased	69,139	68,631	67,116
Buildings and Grounds	610	549	577
Poles, Lines, and Feeders	3,818	3,811	4,004
Substations	786	673	896
Street Lighting	956	1,147	1,228
Meters	1,057	1,018	1,012
System Operations	132	126	125
Provision for Capital Extension	3,654	3,654	2,739
Provision for Capital Replacement	6,181	6,181	5,894
	109,039	108,112	105,613
Surplus Before Transfer (to) from Reserve	23,907	24,005	22,258
Transfer to Stabilization Reserve	-	98	478
Surplus	$ 23,907	$ 24,103	$ 22,736

Appendix 7 - Transit Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited)	2011	2010
Revenues			
Mail Carriers	$ 10	$ 10	$ 10
Passes	6,161	6,472	6,135
Cash Fares	2,469	1,935	1,967
Ticket Sales	2,063	2,025	1,719
Charter	893	593	821
Senior Citizens' Passes	427	388	412
General Services Operating Allowance	20,460	20,460	17,754
Advertising	476	526	513
Province of Saskatchewan	618	640	657
	33,577	33,049	29,988
Expenditures			
General	2,730	2,758	2,444
Transportation			
Planning	417	387	336
Operating	15,902	15,251	14,389
Supervision	1,733	1,807	1,927
Customer Services	672	626	555
Equipment Servicing	8,253	9,061	7,587
Equipment Repair	557	584	413
Stores	184	197	174
Buildings	954	955	1,015
Contribution to Capital Reserves	2,175	2,175	1,750
	33,577	33,801	30,590
Deficit	$ -	$ (752)	$ (602)

TRUST FUNDS

City of Saskatoon, Saskatchewan, Canada
Year Ended December 31, 2011

Independent Auditor's Report - Deloitte & Touche LLP Chartered Accountants

To His Worship the Mayor and City Council:

Report on the Financial Statements
We have audited the accompanying financial statements of the Trust Funds of the City of Saskatoon, which comprise the balance sheet as at December 31, 2011, and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory infromation.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds of the City of Saskatoon as at December 31, 2011, and the changes in its net assets for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte + Touche LLP

Chartered Accountants

Saskatoon, Saskatchewan

June 1, 2012

Trust Funds - Balance Sheet

As at December 31, 2011 (in thousands of dollars)

	2011 Cemetery Perpetual Care	2011 Group Insurance Trust	2011 Total	2010 Total
Assets				
Cash and Cash Equivalents	$ 91	$ 12	$ 103	$ 880
Accounts Receivable	110	-	110	15
Accrued Interest	23	2	25	19
Investments (Note 2)	3,311	642	3,953	3,259
	3,535	656	4,191	4,173
Liabilities and Net Assets				
Accounts Payable	173	1	174	74
Net Assets	3,362	655	4,017	4,099
	$ 3,535	$ 656	$ 4,191	$ 4,173

Trust Funds - Statement of Changes in Net Assets

For the Year Ended December 31, 2011 (in thousands of dollars)

	2011 Cemetery Perpetual Care	2011 Group Insurance Trust	2011 Total	2010 Total
Increase in Net Assets				
Sale of Cemetery Plots	$ 119	$ -	$ 119	$ 89
Interest Earned	191	9	200	177
Transfer from Revenue Fund	37	-	37	697
	347	9	356	963
Decrease in Assets				
Transfer to Revenue Fund	182	245	427	217
Disbursements	9	2	11	3
	191	247	438	220
Increase (Decrease) in Net Assets	156	(238)	(82)	743
Net Assets, Beginning of Year	3,206	893	4,099	3,356
Net Assets, End of Year	$ 3,362	$ 655	$ 4,017	$ 4,099

Trust Funds - Notes to the Financial Statements

For the Year Ended December 31, 2011 (in thousands of dollars)

1. Accounting Policies

Basis of Accounting and Significant Policies

a. Trust Funds

The Trust Funds operate on the accrual basis of accounting. Any interest earned but not received as at December 31 has been recorded in Accrued Interest.

b. Cash Equivalents

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

c. Investments

All investments are recorded at amortized cost using the effective interest rate method. Premiums and discounts are amortized over the life of the investment. Investment transactions are accounted for at the settlement date. Investment income is recorded on the accrual basis. When there has been a loss in a value of an investment that is other than temporary decline, the investment is written down to recognize the loss and the loss is recognized in the statement of changes in net assets.

d. Revenues and Expenditures

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

2. Investments

a. Trust Funds

The total of investments of $3,953 (2010 - $3,259) recorded on the Balance Sheet at cost, have a market value of $4,660 (2010 - $3,659) at December 31. Investments consist of provincial promissory notes and federal, provincial, municipal government, and corporate bonds with effective interest rates ranging from 1.09 percent to 5.370 percent.

3. Fund Purpose

a. Group Insurance Trust Fund

Premiums are shared equally between the employer and the employee. Surpluses are generated when premiums exceed administration charges and claims payments by the carrier. A portion of the accumulated funds are used to reduce both the employer's and employee's premiums. In the event of a surplus, under the terms of the Underwriting Agreement, the claims Fluctuation Reserve held by the Group Insurance Trust Fund for 2011 must be at least 25 percent of premiums paid, or $265.

b. Cemetery Perpetual Care Trust Fund

The Perpetual Care Fund is intended to provide the necessary annual funding for the maintenance services to the cemetery in perpetuity.

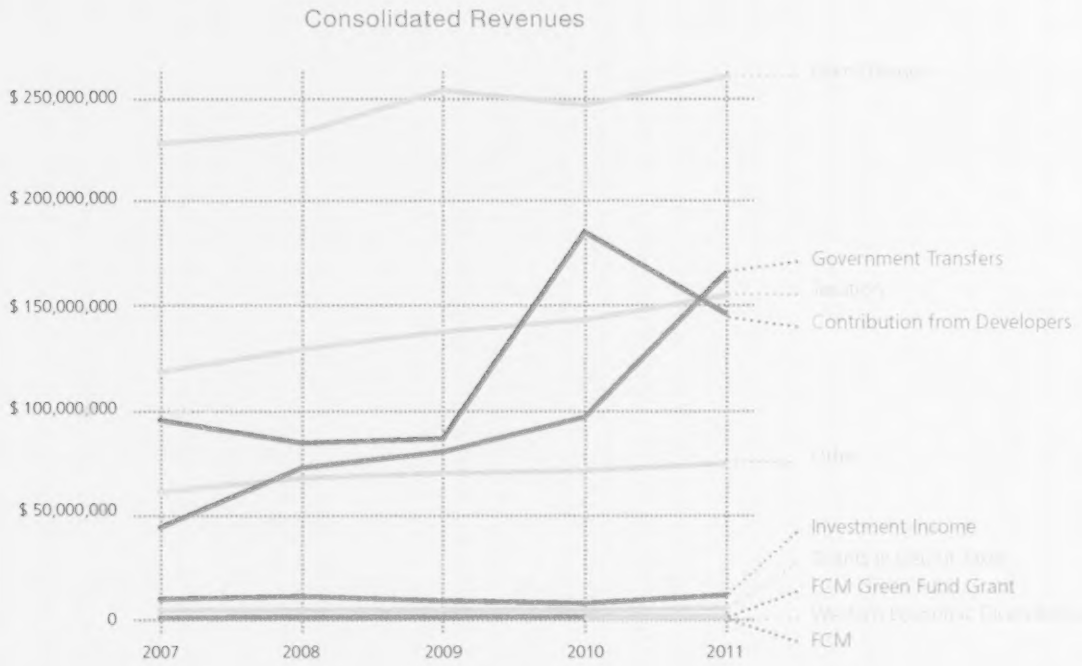
STATISTICAL

City of Saskatoon, Saskatchewan, Canada
Year Ended December 31, 2011

Consolidated Revenues and Expenditures

For the Years Ended December 31, 2011 to 2007 (in thousands of dollars)

	2011	2010 (Restated Note 21)	2009	2008	2007
Consolidated Revenues					
Taxation	$ 154,687	$ 144,696	$ 136,882	$ 128,320	$ 119,171
Grants in Lieu of Taxes	4,133	3,855	4,163	4,345	4,147
User Charges	261,699	249,077	253,798	233,439	229,825
Federation of Canadian Municipalities	217	-	183	35	52
Federation of Canadian Municipalities Green Fund Grant	54	14	377	-	-
Government Transfers	164,660	98,544	83,720	63,982	46,224
Investment Income	10,987	9,622	10,260	12,690	10,757
Contribution from Developers	145,367	173,079	89,815	84,918	96,321
Other	71,543	67,431	67,305	62,754	58,451
Western Economic Diversification	5	420	-	-	-
Total Revenues	$ 813,352	$ 746,738	$ 646,503	$ 590,483	$ 564,948

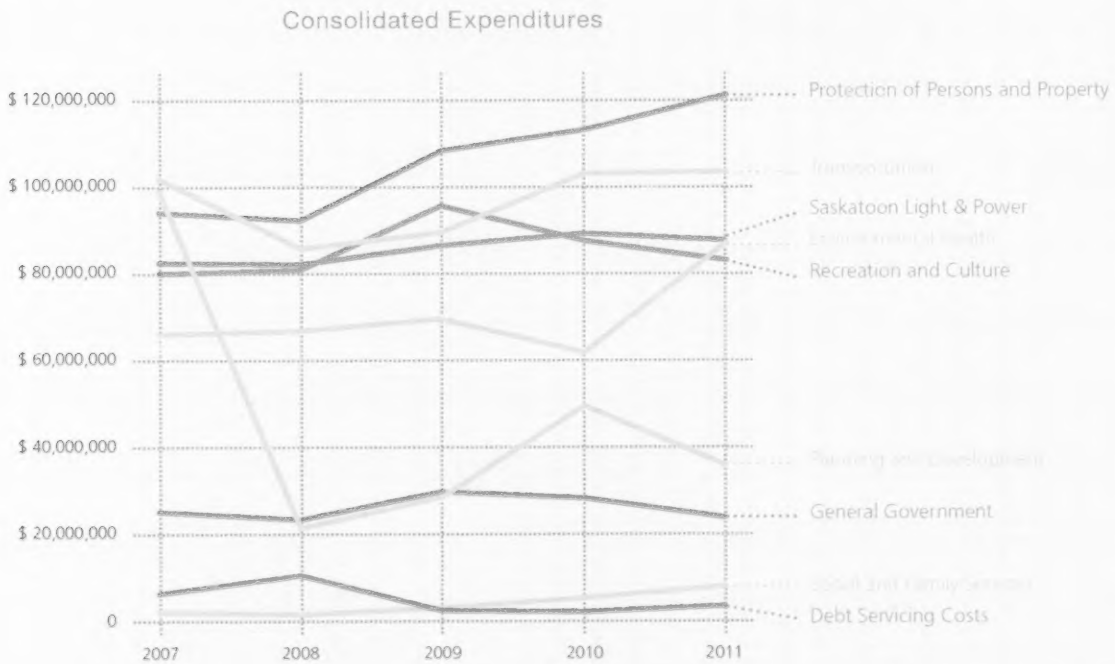


Consolidated Revenues and Expenditures (continued)

For the Years Ended December 31, 2011 to 2007 (in thousands of dollars)

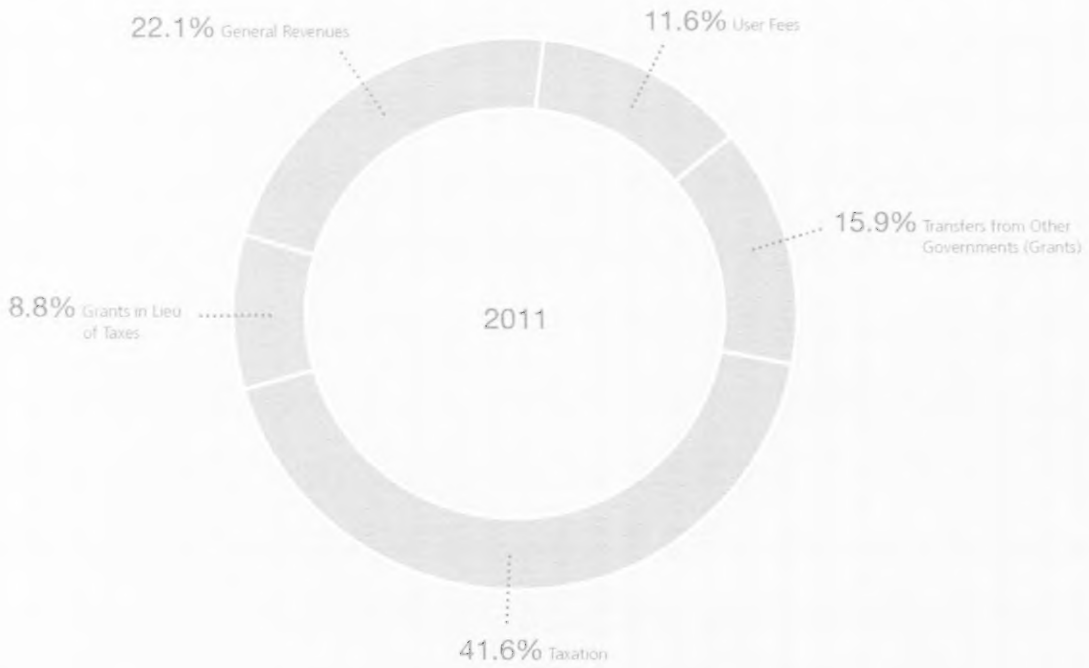
	2011	2010 (Restated Note 21)	2009	2008	2007
Consolidated Expenditures					
General Government	$ 23,865	$ 29,272	$ 36,793	$ 23,033	$ 24,602
Transportation	103,483	103,449	89,520	86,192	102,005
Protection of Persons and Property	121,840	113,970	107,450	91,759	94,670
Recreation and Culture	83,536	86,198	95,268	81,196	80,575
Social and Family Services	8,437	7,081	4,137	2,214	2,429
Planning and Development	36,879	48,817	28,089	21,960	99,879
Saskatoon Light & Power	86,930	88,837	88,977	82,430	83,096
Environmental Health	86,834	61,878	69,984	67,096	65,842
Debt Servicing Costs	4,019	3,834	3,938	9,778	6,728
Total Expenditures	555,823	543,336	524,156	465,658	559,826
Surplus of Revenues over Expenses	$ 257,529	$ 203,402	$ 122,347	$ 124,825	$ 5,122

Accounting principles applicable for 2007 were significantly different as capital expenditures were expensed and there was no amortization on tangible capital assets.



Summary of Revenues (Schedule 6)

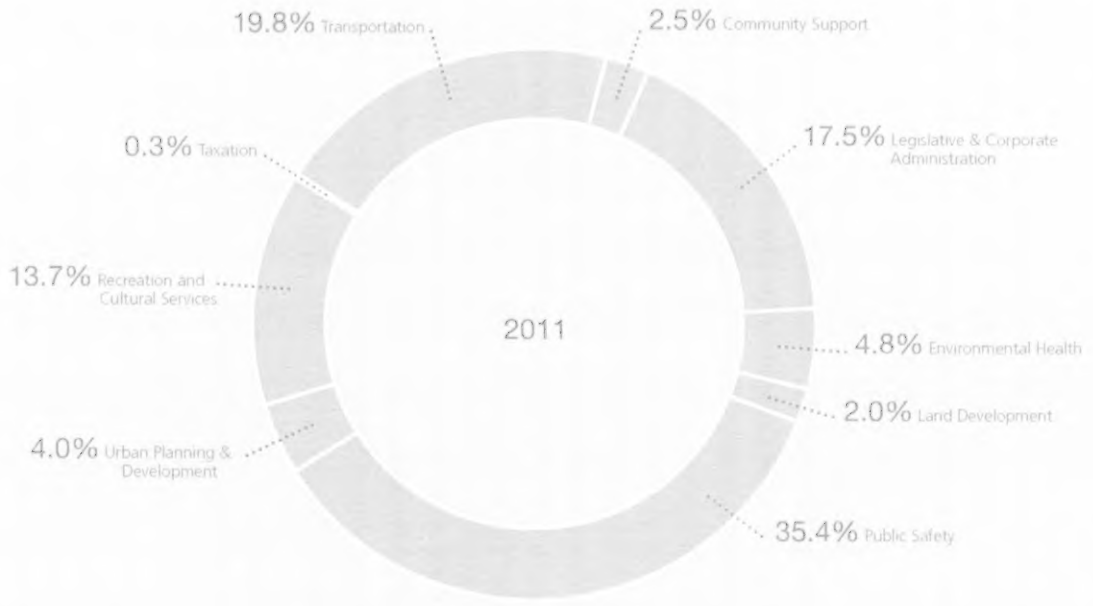
For the Years Ended December 31, 2011 to 2007 (in thousands of dollars)



	2011	2010	2009	2008	2007
Taxation	$ 139,049	$ 130,035	$ 122,523	$ 115,617	$ 107,313
Grants in Lieu of Taxes	29,153	27,880	26,651	25,017	24,905
General Revenues	73,528	67,323	63,021	60,813	57,641
User Fees	38,588	37,270	28,946	27,138	25,786
Transfers from Other Governments	52,836	42,318	37,816	25,802	22,262
	$ 333,154	$ 304,826	$ 278,957	$ 254,387	$ 237,907

Summary of Expenditures (Schedule 6)

For the Years Ended December 31, 2011 to 2007 (in thousands of dollars)



	2011	2010	2009	2008	2007
Community Support	$ 8,342	$ 7,678	$ 7,224	$ 6,713	$ 6,754
Environmental Health	15,793	14,697	12,508	11,969	11,154
Legislative & Corporate Administration	57,644	50,596	56,342	52,148	48,431
Land Development	6,690	7,111	2,981	3,272	4,833
Public Safety	116,950	109,907	98,993	92,003	86,295
Recreation & Cultural Services	45,100	43,379	39,989	36,113	32,911
Transportation	65,345	58,284	47,448	43,859	40,270
Urban Planning & Development	13,222	11,962	9,121	8,956	8,126
Taxation	995	792	696	596	565
	$ 330,081	$ 304,406	$ 275,302	$ 255,629	$ 239,339

Summary of Capital Operations

For the Years Ended December 31, 2011 to 2007 (in thousands of dollars)

	2011	2010	2009	2008	2007
Sources of Funds					
Province of Saskatchewan	$ 55,836	$ 365	$ 310	$ 1,193	$ 10,046
Saskatchewan Water Corporation	-	-	279	712	27
Municipal Economic Enhancement Program	-	-	22,012	-	-
Canada Strategic Infrastructure Fund	-	-	2,682	4,905	6,112
Federal Gas Tax Program	6,090	6,997	8,113	11,327	-
Muncipal Rural Infrastructure Fund	-	-	223	4,656	2,114
Provincial Building Communities Program	980	216	747	3,650	-
Provincial Community Shares Program	-	-	1,453	1,753	-
Urban Highway Connector Program	1,221	-	-	-	-
Government of Canada	274	17	70	211	21
Cultural Capitals of Canada Program	-	-	172	776	1,058
Transport Canada	-	-	11	-	-
Federal Transit Funding Program	1,361	5,688	6,795	6,839	3,434
Federal Gateway and Border Crossings	31,176	29,603	-	-	-
Building Canada Fund (FED)	7,639	2,011	-	-	-
Recreational Infrastructure Canada (FED)	392	371	-	-	-
Recreational Infrastructure Canada (PROV)	-	763	-	-	-
Building Canada Fund (PROV)	1,555	373	-	-	-
Federal Infrastructure Stimulus Fund	3,875	8,058	343	-	-
Federation of Canadian Municipalities	217	-	183	35	52
Federation of Canadian Municipalities Green Fund Grant	54	14	377	-	-
Green Municipal Fund Federation of Canadian Municipalities	-	-	2,303	-	-
Canada Mortgage and Housing Corporation Municipal Infrastructure Lending Program	-	44,000	33,190	-	-
Western Economic Diversification	-	409	193	187	-
Internal Borrowing	-	-	22,563	-	-
Taxation	5,205	4,051	3,970	5,088	1,627
Utility Contribution	8,398	7,892	6,175	6,520	3
Borrowing	-	-	(300)	32,400	500
Contributions from Developers Benefitting Property Owners and Other Users	15,325	20,622	23,541	11,863	9,285

(continued on next page)

Summary of Capital Operations (continued)

For the Years Ended December 31, 2011 to 2007 (in thousands of dollars)

	2011	2010	2009	2008	2007
Appropriations					
Sinking Fund	675	-	-	-	-
Operating Surplus	-	144	-	-	-
Reserves	174,973	163,450	159,675	164,772	160,084
Library Reserve	50	-	-	-	-
	315,296	295,044	295,080	256,887	194,363
Application of Funds					
General Government	4,131	4,900	3,707	6,347	4,332
Protection of Persons and Property	19,579	6,425	6,188	4,329	3,063
Transportation	177,454	167,370	56,710	63,664	84,712
Environmental Health	69,622	80,045	65,928	46,506	38,087
Social and Family Services	-	4,103	1,352	102	574
Planning and Development	34,601	24,065	22,929	39,447	30,733
Recreation and Culture	9,618	9,045	12,564	34,554	16,557
Property Purchases and Development	-	11,292	5,067	19,434	11,309
Saskatoon Light & Power Expansion and Replacements	14,441	10,460	14,100	13,145	13,186
	329,446	317,705	188,545	227,528	202,553
Increase (Decrease) in Unexpended Capital Financing	(14,150)	(22,661)	106,535	29,359	(8,190)
Unexpended Capital Financing, Beginning of Year	211,025	233,686	127,151	97,793	105,983
Unexpended Capital Financing, End of Year	$ 196,875	$ 211,025	$ 233,686	$ 127,152	$ 97,793

Summary of Public Utilities Operating Results

For the Years Ended December 31, 2011 to 2007 (in thousands of dollars)

	2011	2010	2009	2008	2007
Net surplus after deducting operating expenses, debt charges and contributions to reserves:					
Water	$ -	$ -	$ (12)	$ (5)	$ -
Saskatoon Light & Power	23,907	21,780	19,519	18,093	17,499
Transit System (before contribution from General Revenue)	(21,212)	(18,356)	(18,977)	(18,355)	(15,709)
Net Surplus	2,695	3,424	530	(267)	1,790
Amount contributed by Utilities to Revenue as Grant in Lieu of Taxes	$ 24,898	$ 23,776	$ 22,209	$ 20,573	$ 20,677

Summary of Reserves and Surplus

For the Years Ended December 31, 2011 to 2007 (in thousands of dollars)

	2011	2010	2009	2008	2007
Reserves					
Property Realized	$ 15,499	$ 11,434	$ 19,183	$ 14,504	$ 16,841
Replacement	(5,155)	(11,656)	(27,506)	9,241	26,154
Future Expenditures	42,107	43,482	23,164	63,702	76,087
Surplus (Deficit)	3,073	420	3,655	(1,242)	(1,432)
	$ 55,524	$ 43,680	$ 18,496	$ 86,205	$ 117,650

Consolidated Summary of Expenditures (by object code)

For the Years Ended December 31, 2011 to 2007 (in thousands of dollars)

	Wages and Benefits	Contracted and General Services	Donations, Grants, Subsidies	Heating, Light, Power, Water, Telephone	Materials, Goods, Supplies	Finance Charges	Amortization	Total
General Government	$18,149	$3,436	$69	$12	$887	$	$1,311	$23,865
Protection of Persons & Property	99,081	18,341	194	574	2,299	-	1,350	121,840
Transportation	39,365	11,425	-	5,854	7,779	33	39,028	103,483
Environmental Health	22,236	44,482	197	4,157	3,676	77	12,009	86,834
Social and Family Services	962	638	6,548	64	119	2	105	8,437
Planning and Development	12,904	11,786	2,299	1,174	964	105	7,647	36,879
Recreation & Culture	32,814	31,509	2,639	4,306	5,385	1,253	5,630	83,536
Property Purchases and Development								
Saskatoon Light & Power	5,842	3,231	-	68,915	836	-	8,107	86,930
Debt Servicing Costs	-	-	-	-	-	4,019	-	4,019
Total 2011	**$231,353**	**$124,848**	**$11,947**	**$85,056**	**$21,947**	**$5,489**	**$75,187**	**$555,823**
Total 2010	**$225,239**	**$131,323**	**$6,288**	**$82,721**	**$21,627**	**$5,368**	**$70,770**	**$543,336**
Total 2009	$216,753	$120,891	$6,297	$81,662	$20,539	$14,192	$63,822	$524,156
Total 2008	$189,957	$96,381	$5,619	$78,192	$22,763	$9,987	$62,759	$465,658
Total 2007	$166,066	$279,104	$5,407	$78,223	$18,392	$7,890	$-	$555,082

Note: Contracted and General Services for 2007 includes capital expenses. Amortization is not applicable for these years.

Summary of Term Debt and Required Sinking Fund Consolidation of All Obligations

As at December 31, 2011 to 2007

	2011	2010	2009	2008	2007
Total Term Debt	$ 127,368,044	$ 145,510,451	$ 115,341,381	$ 89,144,000	$ 47,656,006
Less Sinking Fund	-	-	-	-	910,144
	127,368,044	145,510,451	115,341,381	89,144,000	46,745,862
Population Estimate at Dec. 31 (1)	234,200	224,300	218,900	209,400	208,300
Gross Debt Per Capita	$ 544	$ 649	$ 527	$ 426	$ 229
Net Debt Per Capita	$ 544	$ 649	$ 527	$ 426	$ 224
Mill Rate Supported Debt	$ 387	$ 463	$ 314	$ 353	$ 145
Legal Debt Limit	$ 414,000,000	$ 414,000,000	$ 298,000,000	$ 298,000,000	$ 298,000,000
Debt servicing costs as a percentage of total expenditures	0.723%	0.710%	0.760%	0.660%	1.210%

(1) Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Summary of Term Debt and Required Sinking Fund by Responsibility Centre

For the Year Ended December 31, 2011

	2011	2010
Waterworks Utility	$ 33,257,014	$ 37,512,748
Wastewater Utility	$ 3,385,800	$ 4,148,840
Total Debt Not Supported by Civic Mill Rate	$ 36,642,814	$ 41,661,588
Total Civic Mill Rate Debt	$ 90,725,230	$ 103,848,863
Total Term Debt	$ 127,368,044	$ 145,510,451
Net Debt (1)	$ 127,368,044	$ 145,510,451
Population Estimate at Dec. 31 (2)	234,200	224,300
Gross Debt Per Capita	$ 544	$ 649
Net Debt Per Capita	$ 544	$ 649
Mill Rate Supported Debt	$ 387	$ 463

(1) All figures are based on book values and have not been adjusted for foreign currency exchange.

(2) Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Term Debt Maturing With Percentages

As at December 31, 2011

Year	Debentures Maturing	Percentage Yearly	Percentage Reduction Accumulated
2012	$ 18,821,000	14.777%	14.777%
2013	17,225,000	13.524%	28.301%
2014	14,639,000	11.493%	39.794%
2015	15,179,000	11.917%	51.712%
2016	13,259,000	10.410%	62.122%
2017	13,732,000	10.781%	72.903%
2018	14,220,000	11.164%	84.067%
2019	10,767,000	8.453%	92.521%
2020	7,099,000	5.574%	98.094%
2021	997,000	0.783%	98.877%
2022	1,042,000	0.818%	99.695%
2023	190,000	0.149%	99.845%
2024	198,000	0.155%	100.000%
Total	$ 127,368,000	100.000%	

Summary of Property Assessment and Tax Levy

For the Years Ended December 31, 2011 to 2007

	2011	2010	2009*	2008	2007
Gross Assessments	$ 15,106,052,606	$ 14,753,816,654	$ 14,459,817,161	$ 10,727,114,965	$ 10,535,989,990
Exemptions	3,237,388,060	3,202,875,913	3,179,330,802	2,378,230,390	2,380,698,125
Assessed Value for Taxation	11,868,664,546	11,550,940,741	11,280,486,359	8,348,884,575	8,155,291,865
	Mills	Mills	Mills	Mills	Mills
Tax Rate:					
General	11.57	11.08	10.66	13.67	12.98
Library	1.30	1.25	1.21	1.52	1.45
Education:					
Public Board/ Separate Board	9.51	10.08	10.08	18.78	18.07
Total	22.38	22.41	21.95	33.97	32.50
	$ 289,960,812	$ 283,447,250	$ 278,828,559	$ 277,404,968	$ 262,313,610
Property Roll Collections:					
Current	$ 287,554,659	$ 278,327,217	$ 268,951,792	$ 275,395,743	$ 260,549,795
Arrears	5,823,629	5,472,156	5,271,525	4,949,478	6,383,337
Total Collected	293,378,288	283,799,373	274,223,317	280,345,221	266,933,132
Percentage of Levy Collected:					
Current	98.200%	95.090%	97.090%	97.790%	93.890%
Current and Arrears	97.800%	94.960%	96.920%	97.550%	93.620%
Taxes Outstanding:					
Current	5,321,930	5,398,160	5,025,820	4,822,306	3,835,898
Arrears	1,382,920	1,285,838	1,138,992	1,095,263	1,924,893
	$ 6,704,850	$ 6,683,998	$ 6,164,812	$ 5,917,569	$ 5,760,791

* Reassessment

Economic Highlights

Saskatoon Economic Statistics

For the Years Ended December 31, 2011 to 2007 (in thousands of dollars)

	2011	2010	2009	2008	2007
Saskatoon population (December 31)*:	234,200	224,300	218,900	209,400	208,300
Annual change	4.414%	2.467%	4.454%	0.530%	0.530%
Saskatoon inflation rate - annual change	2.500%	1.200%	0.900%	3.900%	3.400%
Saskatoon unemployment rate - annual average	8.600%	8.300%	7.000%	5.700%	5.700%
No. of Persons Employed in Saskatoon	144,700	145,900	143,200	138,200	135,500
Saskatoon Building Permits					
Total Number	4,651	4,100	3,550	3,516	3,672
Total Value	$ 936,900	$ 666,100	$ 537,900	$ 610,200	$ 549,400
Annual Change	40.655%	23.800%	(11.850)%	11.070%	69.900%

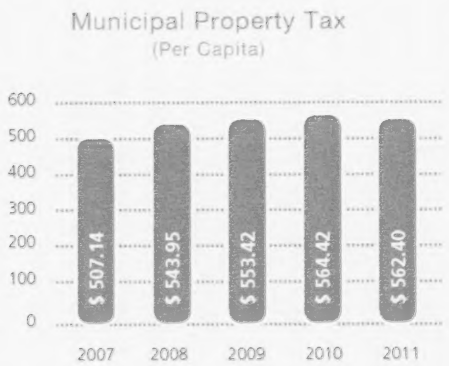
* Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Sources of Information:
Statistics Canada
City of Saskatoon - Planning Branch, Community Services Department

Major Taxpayers in Saskatoon

2011 Taxable Assessment (in thousands of dollars)

Midtown Plaza Inc.	$ 146,560
Boardwalk Reit Properties Holdings Ltd.	62,086
Westfair Properties Ltd.	57,940
Centre At Circle & Eighth Property Inc	56,608
Saskashop Centre Inc	47,978
101042414 Saskatchewan Ltd.	44,810
Preston Crossing Development Inc.	44,373
959630 Alberta Inc.	40,373
Saskatoon Airport Authority	37,366
CNH Canada Ltd.	29,293
Confed Shopping Centre Inc	28,173
2055190 Ontario Ltd	27,059



Economic Highlights (continued)

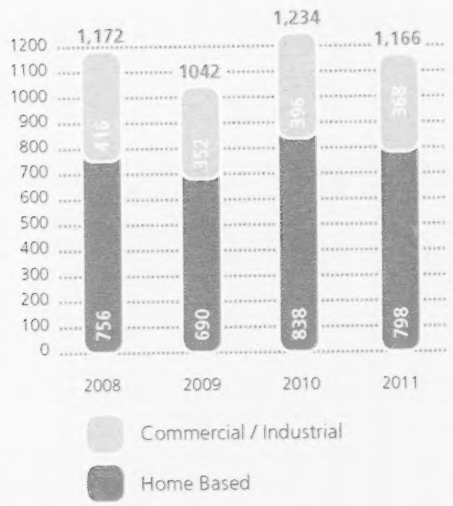
Building Permits Statistics for 2011 vs 2010

	Number of Permits			Construction Value ($ million)		
Category	Dec 31/11	Dec 31/10	Change %	Dec 31/11	Dec 31/10	Change %
Residential	3502	3075	13.9%	$401.2	$200.0	100.6%
Apartments & Housing Projects	314	282	11.3%	$196.6	$178.1	10.4%
Commercial	305	271	12.5%	$164.5	$123.4	33.3%
Industrial	207	185	11.9%	$103.5	$61.2	69.1%
Institutional & Assembly	83	96	-13.5%	$45.2	$98.4	-54.1%
Other (includes demolition permits)	240	191	25.7%	$25.9	$5.0	418.0%
TOTAL	4651	4100	13.4%	$936.9	$666.1	40.7%

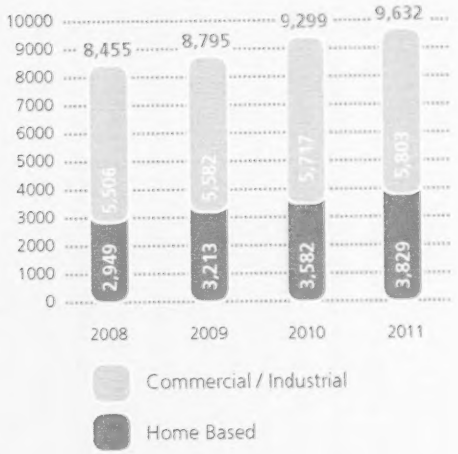
Summary of Major Projects Over $10M Approved in 2011

New Apartment - U of S Student Housing	$29.9M	(Included in "Residential" above)
Addition Queen's Bench Court House	$24.1M	(Included in "Institutional and Assembly" above)
New Apartment - U of S Student Housing	$16.0M	(Included in "Residential" above)
New Apartment - U of S Student Housing	$16.0M	(Included in "Residential" above)
New Office Building - River Center	$13.9M	(Included in "Commercial" above)
New Apartment - Lighthouse	$12.4M	(Included in "Residential" above)
New Office Warehouse - Acklands Grainger	$10.2M	(Included in "Industrial" above)

New Licensed Businesses

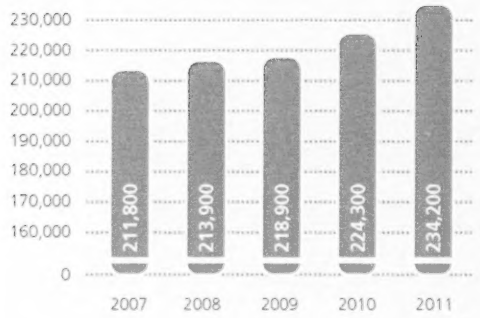


Total Licensed Businesses

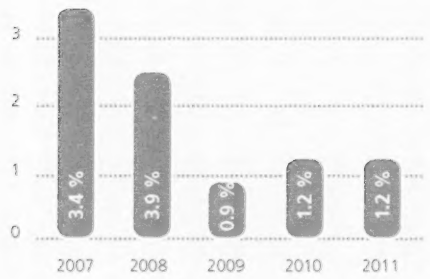


Key Statistics

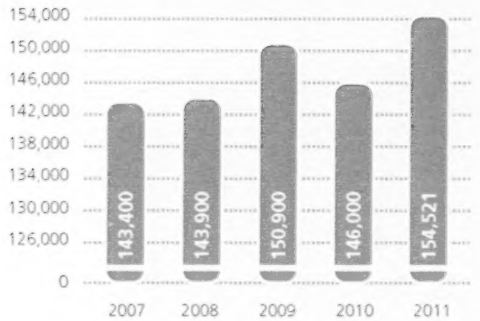
Population
(as at December 31st)



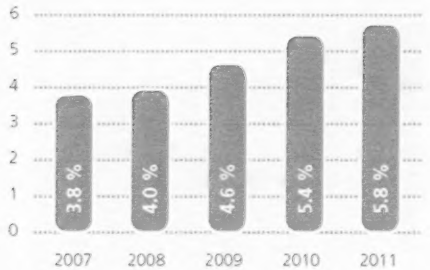
Average Annual Consumer Price Index



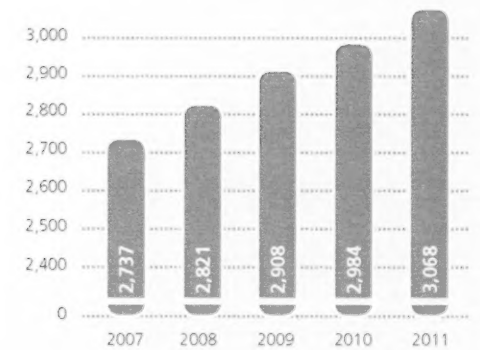
Labour Force
(for month of December)



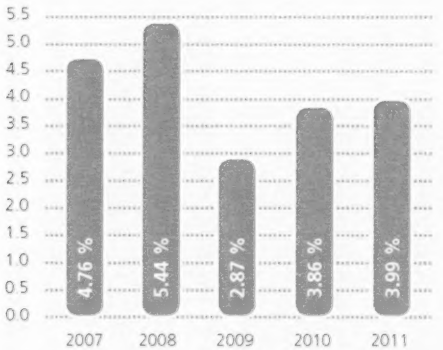
Unemployment
(for month of December)

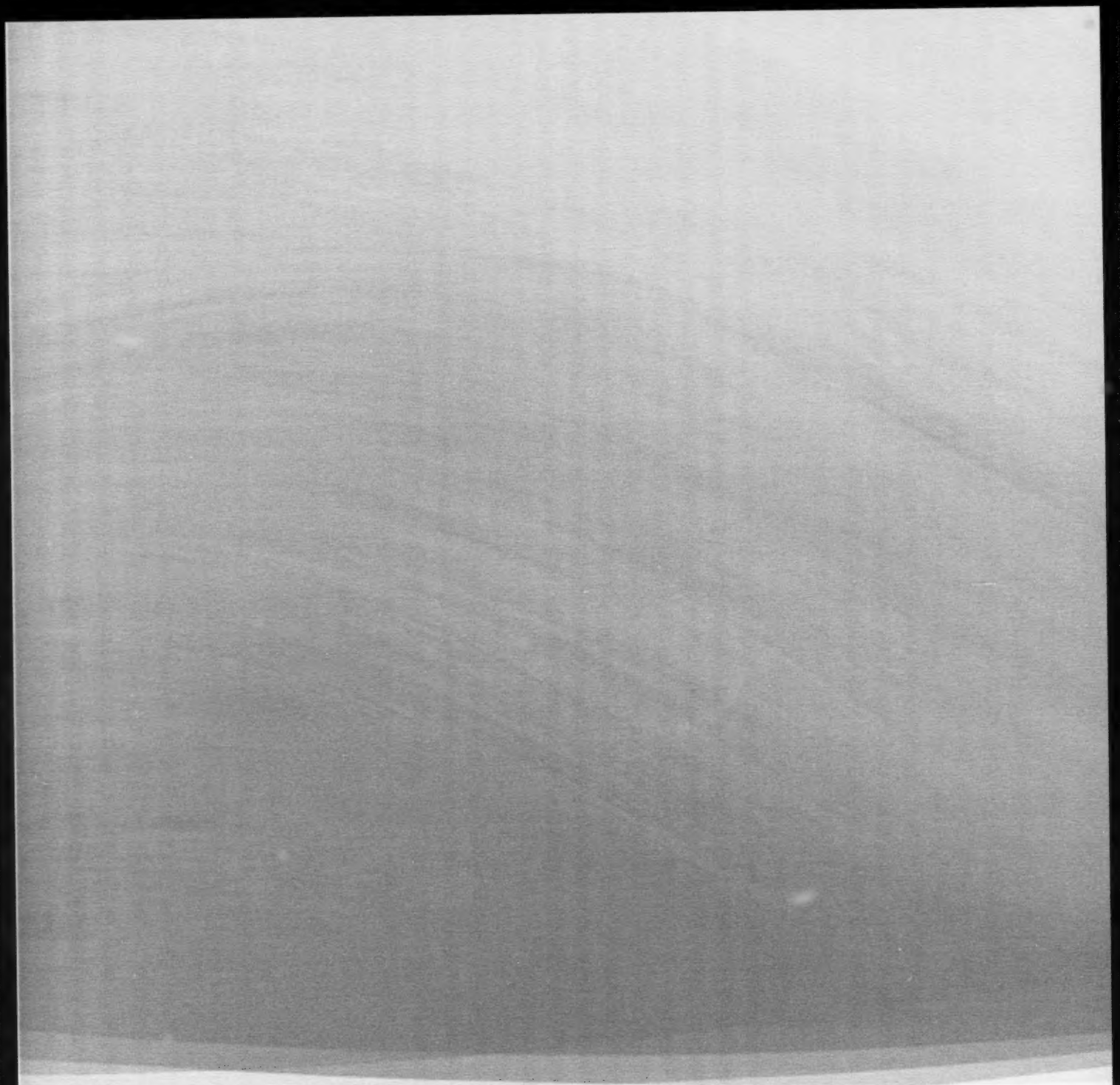


Municipal Budgeted Staff Years
(Including Boards and Commissions - excluding Library)



Property Tax Increase





City of
Saskatoon

www.saskatoon.ca